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(HOUSE OF COMMONS

Second Session—Twenty-second Parliament
1955

SPECIAL COMMITTEE

ON

BROADCASTING

Chairman: Dr. PIERRE GAUTHIER

MINUTES OF PROCEEDINGS AND EVIDENCE
No. 9

THURSDAY, MAY 19, 1955

WITNESS:

A. Davidson Dunton, Chairman of the Board of Governors of the Canadian Broadcasting Corporation; G. C. W. Browne, Controller of Telecommunications, Department of Transport.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955.

SPECIAL COMMITTEE

ON

BROADCASTING

Chairman: Dr. Pierre Gauthier

Vice-Chairman: Mr. G. D. Weaver
and
Messrs.

Balcer
Beaudry
Boisvert
Bryson
Carter
Cauchon
Decore
Diefenbaker
Dinsdale

Fleming
Gauthier (*Nickel Belt*)
Goode
Hansell
Henry
Holowach
Kirk (*Shelburne-
Yarmouth-Clare*)
Knight

McCann
Monteith
Reinke
Richard (*Ottawa East*)
Richardson
Robichaud
Studer

R. J. GRATRIX,
Clerk of the Committee.

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MINUTES OF PROCEEDINGS

Room 118,

THURSDAY, May 19, 1955.

The Special Committee on Broadcasting met at 11.00 o'clock a.m. this day. Dr. Pierre Gauthier, the Chairman, presided.

Members present: Messrs. Boisvert, Carter, Cauchon, Dinsdale, Fleming, Goode, Henry, Holowach, Knight, Monteith, Richard (*Ottawa East*), Richardson, Robichaud, Studer and Weaver.

In attendance: Messrs. G. C. W. Browne, Controller of Telecommunications, F. K. Foster, Radio Regulations Inspector and F. G. Nixon, Assistant Controller, all of the Department of Transport; and Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, E. L. Bushnell, Assistant General Manager, H. Bramab, Treasurer, George Young, Director of Station Relations, R. C. Fraser, Director of Press and Information, W. G. Richardson, Director of Engineering, D. Manson, Special Consultant, M. Carter, Executive Assistant, R. E. Keddy, Secretary of the Board of Governors, and J. A. Halbert, Assistant Secretary, all of the Canadian Broadcasting Corporation.

The Committee resumed the examination of Mr. Browne on the administration of the Radio Act.

Mr. Browne tabled the following documents in answer to questions asked by Mr. Fleming at the previous sitting:

1. List of 50 kilowatt broadcasting stations (CBC).

Ordered,—that the said document be incorporated in this day's evidence. (*See Evidence*).

2. List of television applications pending.

Ordered,—That the Clerk of the Committee have the said document mimeographed and distributed to members of the Committee.

The witness also tabled the following documents in reply to questions asked at the previous sitting:

1. Number of private stations operating in Canada as of January, 1953, January, 1954 and May 1st, 1955. (*Mr. Boisvert*)
2. Correspondence in connection with an application in respect of the British Columbia area and Vancouver Island. (*Mr. Goode*)

Mr. Browne was questioned on the several documents tabled.

The Clerk of the Committee distributed mimeographed copies of the "List of Television Applications Pending", Mr. Browne being examined thereon.

Ordered,—That the said document be incorporated in this day's evidence. (*See Evidence*)

During the course of the examination of Mr. Browne, reference having been made to certain television contour maps in the possession of the Department of Transport, a debate arose as to whether or not such information

should be produced for the information of the Committee. The witness advised the Committee that the said information was considered to be of a confidential nature.

Thereupon, Mr. Weaver moved that copies of the particulars relating to A and B contours of television stations be tabled.

After further discussion as to the confidential status of the said information, it was agreed that Mr. Browne be directed to consult with the Minister of Transport during the luncheon recess and report back to the Committee the department's objections, if any, to the tabling of the information moved for by Mr. Weaver.

At 1.05 o'clock p.m., the Committee adjourned to meet again at 3.30 o'clock p.m. this day.

AFTERNOON SITTING

Room 118,
THURSDAY, May 19, 1955.

The Committee resumed at 3.30 o'clock p.m. Dr. Pierre Gauthier, the Chairman, presided.

Members present: Messrs. Boisvert, Bryson, Carter, Dinsdale, Fleming, Goode, Henry, Holowach, Knight, McCann, Monteith, Richard (*Ottawa East*), Richardson, Robichaud, Studer and Weaver.

In attendance: Messrs. G. C. W. Browne, Controller of Telecommunications, F. K. Foster, Radio Regulations Inspector, and F. G. Nixon, Assistant Controller of Telecommunications, all of the Department of Transport; and Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, E. L. Bushnell, Assistant General Manager, W. G. Richardson, Director of Engineering, H. Bramah, Treasurer, S. Schnobb, Assistant Treasurer, D. Manson, Special Consultant, M. Carter, Executive Assistant, J. P. Gilmore, Coordinator of Television, R. C. Fraser, Director of Press and Information, G. Young, Director of Station Relations, R. E. Keddy, Secretary to the Board of Governors, and J. A. Halbert, Assistant Secretary, all of the Canadian Broadcasting Corporation.

Mr. Browne reported that, pursuant to the direction of the Committee at the morning sitting, he had consulted with the Minister of Transport and had been directed to state that the Department of Transport had no objection to the tabling of the particulars relating to A and B Contours of television Stations.

Thereupon the question having been put on the motion of Mr. Weaver, that copies of the particulars relating to A and B contours of television stations be tabled, it was agreed to.

In reply to a question asked by Mr. Fleming at the morning sitting, Mr. Browne tabled the following document:

List of Sound Applications Pending.

Ordered.—That the said document be incorporated in this day's evidence. (*See evidence*).

The examination of Mr. Browne being concluded, he was retired. The Committee then resumed its detailed examination of the Annual Report 1953-54 of the Canadian Broadcasting Corporation, Mr. Dunton being recalled.

In response to a request of Mr. Monteith at a previous sitting Mr. Dunton tabled the following documents, copies of which had been previously distributed to the members of the Committee:

Expenditures by Object for Sound Broadcasting and Television for the periods 1st April to 31st March for the years 1952-53 and 1953-54.

Ordered,—That the said documents be printed as an Appendix to this day's evidence. (*See Appendix "A"*).

The following documents were also tabled, copies of which were distributed to members of the Committee:

Statement of Legal Fees for the years ending March 31, 1953 and 1954.


Mr. Dunton being examined thereon.

Ordered,—That the said documents be incorporated in this day's evidence. (*See Evidence*).

The Committee then examined Mr. Dunton on the statements of Expenditures by Object for Sound Broadcasting and Television, Messrs. Ouimet, Bramah and Carter answering questions specifically referred to them.

At 5.45 o'clock p.m. the Committee adjourned to meet again in Montreal, Quebec, Friday, May 20, 1955.

R. J. Gratrix,
Clerk of the Committee.



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EVIDENCE

MAY 19, 1955.
11.05 A.M.

The CHAIRMAN: Order, gentlemen, we have a quorum. May I remind members of the committee who are going to Montreal tomorrow that the train leaves on daylight saving time at 7.50.

Mr. FLEMING: Too early.

The CHAIRMAN: 7.50 daylight saving time.

Mr. BOISVERT: I think if you check with the C.P.R. it is 8 o'clock.

The CHAIRMAN: This is the C.N.R.

Now I think Mr. Browne has a few figures to give to the committee in answer to questions put to him.

Mr. G. C. W. Browne, Controller, Telecommunications Division, Department of Transport, called:

The WITNESS: Yes, Mr. Chairman. I have an answer here dealing with a request by Mr. Fleming for a list of the 50 kilowatt C.B.C. stations. There are eight altogether and the list we have prepared shows these stations, the locations the frequency and the class of stations. There are some six class 1A stations and two class 1B stations. Do you wish me to pass this on to the Secretary?

By Mr. Fleming:

Q. Would you indicate which are the class 1B stations? Then we could infer that all the others are class 1A.—A. CBM, Montreal and CBA, Sackville, New Brunswick.

Q. And there are two privately owned stations which are 50 kilowatts—CFRB, Toronto and CKOW, Windsor. What are their two channels? Are they 1B stations?—A. They are class 2 stations.

Q. Class 2 under the Havana Treaty?—A. Yes.

The CHAIRMAN: Do you wish this list to be put on the record?

Mr. FLEMING: Yes.

List of 50 kw Broadcasting Stations—(C.B.C.)

<i>Call</i>	<i>Location</i>	<i>Frequency</i>	<i>Class</i>
CBK	Watrous, Sask.	540 Kc.	1-A
CBF	Montreal, P.Q.	690 Kc.	1-A
CBL	Toronto, Ont.	740 Kc.	1-A
CJBC	Toronto, Ont.	860 Kc.	1-A
CBM	Montreal, P.Q.	940 Kc.	1-B
CBW	Winnipeg, Man.	990 Kc.	1-A
CBX	Lacombe, Alta.	1010 Kc.	1-A
CBA	Sackville, N.B.	1070 Kc.	1-B

The WITNESS: Next I have a list requested by Mr. Fleming of television applications which are pending. There are eight of these in various stages of processing.

By Mr. Fleming:

Q. Have you copies of that statement available?—A. I am afraid there was not time to get the list mimeographed after we had gone through all the files.

The CHAIRMAN: Would you like Mr. Browne to give them to you?

Mr. GOODE: Would it be possible, Mr. Fleming, to hold them until this afternoon? Or perhaps we could have them read out now.

Mr. FLEMING: There are bound to be some questions about this particular list. Perhaps you have a few extra copies available?

The CHAIRMAN: The clerk says that within an hour he can have this statement mimeographed. Will that be satisfactory to you, Mr. Fleming?

Mr. FLEMING: Of course. Unless we could just take the available copies and share them.

The CHAIRMAN: If the other members of the committee want copies the clerk can have them produced within an hour.

Mr. GOODE: We would certainly like to have them.

The CHAIRMAN: Do you wish to wait until the mimeographic copies are available before proceeding, Mr. Fleming?

Mr. FLEMING: Oh yes. There is no point in our continuing on that subject if the copies are coming later.

The CHAIRMAN: Are there any other documents you wish to produce, Mr. Browne?

The WITNESS: There was an inquiry by Mr. Boisvert as to the number of private stations operating in Canada as of January 1953, January 1954 and May 1st, 1955. I have the information here:

Number of private stations operating in Canada at January 1953, 140.

Number of private stations operating in Canada at January 1954, 144.

Number of private stations operating in Canada at May 1st, 1955, 157.

I think that completes the returns which were asked for.

By Mr. Goode:

Q. I think you have some information for me, too Mr. Browne?—A. I think you requested some correspondence, Mr. Goode, in connection with an application in respect of the British Columbia area and Vancouver Island. I have copies of the relevant correspondence here.

Q. I wonder if you would agree to my having a look at this correspondence, Mr. Chairman, because it affects only British Columbia.

The CHAIRMAN: You will have questions to put arising out of this?

Mr. GOODE: I do not know. It all depends on what form the correspondence takes. I would at least confer with you before putting any questions.

Mr. FLEMING: Presumably the same right would extend to other members of the committee—the right to look at this correspondence?

The CHAIRMAN: At this particular correspondence?

Mr. FLEMING: Yes. It is only fair.

The CHAIRMAN: Agreed.

As soon as Mr. Goode is finished with the correspondence he will pass it over to you.

Mr. FLEMING: If Mr. Boisvert has no questions to ask on the information which has just been submitted by Mr. Browne in reply to his question, I should like to ask a question.

The CHAIRMAN: Have you any questions to put on that information, Mr. Boisvert?

Mr. BOISVERT: No.

By Mr. Fleming:

Q. I notice, Mr. Browne, that in the calendar year 1953 only four private stations were added, whereas in the sixteen months between January 1, 1954, and May 1, 1955, thirteen sound broadcasting stations under private ownership were added to the total. Is that correct?—A. That is true.

Q. And that indicates that there has been quite a marked increase in the past sixteen months compared with the previous twelve months. Is there any particular reason to account for this substantial increase?—A. I believe that for a considerable portion of the time, particularly for the first period—the first year—there was a “freeze” on the issuance of licences.

Q. There was what?—A. Licences were not being issued.

Q. For what reason?—A. It seems to me that it was because of a government directive on account of the shortage of steel.

Q. In 1953?—A. Yes.

Q. These are only sound broadcasting stations that we are speaking of in this particular group, are they not?—A. That is correct.

Q. How many applications have you in hand now at any stage of processing?—A. For sound broadcasting stations?

Q. Yes.—A. That list is being prepared right now in the department and I hope to have it shortly.

Q. We may take it, Mr. Browne, that the “freeze” was removed somewhere towards the end of 1953?—A. During that first period.

Q. Can you give us the date?—A. Not offhand.

Q. Could you give the date approximately?—A. We shall have to check that. I think it was before this time of the year, as I recall it.

Q. Leaving that other subject until later, until we have that information concerning the number of pending applications, I have another matter which I should like to raise, Mr. Chairman, unless somebody else wishes to speak. My question is about the shifting of television channels. As I remember there were three VHF channels assigned to Toronto, Nos. 6, 9 and 11. Do you remember that?—A. Yes.

Q. And as things stand today the C.B.C. occupies channel 9 with station CBLT, Toronto, and channel 11 was taken and assigned to Hamilton, and channel No. 6 is the one remaining channel in Toronto. The result of this juggling of channels is that Toronto has one channel less than was originally planned for it. Am I correct in understanding that the responsibility for that juggling of the channels and the subtraction of one from the original allotment to Toronto is the responsibility of the Department of Transport?—A. That is correct.

Q. Will you state the reasons why these changes were made and in particular why the result has been that there is one less available?—A. It was in order to make VHF channels available for the areas to which they were assigned in that transfer. It was not possible simply to take a channel from one place and move it to another. It was necessary to do a general shifting around so that the geographical separation might be maintained.

Q. Do I understand that this shifting was done in pursuance of the policy that you described at the last meeting—the policy of single service coverage?—A. That is correct. Under the original scheme there was no channel assigned for Kitchener.

Q. So you took the channel which had been assigned to Hamilton and assigned it to Kitchener, and then you replaced the Hamilton channel by taking one of those originally assigned to Toronto, namely No. 11?—A. That is correct. Of course, under the original plan the assignment of channels to any given area was really nominal—in other words we had to show in the plan places opposite the channels where they could possibly be used, and I feel that at the time the original plan was developed the cost of developing television was expected to be higher than it is today—the cost of establishing

stations I mean—and when we worked the plan out with our opposite numbers in Washington it was natural that we should set down more channels opposite the larger centres than opposite the small ones. In other words at that time—and that was perhaps five years ago—we felt that the smaller centres could not support a television station and that is why we set down perhaps more channels for the larger centres than for the others.

Q. You find now that the cost of setting up and operating a station was overestimated at that time?—A. Possibly it was, but we perhaps did not anticipate we would receive applications for licences from the smaller areas as soon as we did and we felt, in drawing up the plan, that it was easier to justify the assignment of a larger number of channels to the larger centres.

Q. It was not because of any lack of applicants from the Toronto area who were ready to operate stations if they had been allotted to them?—A. I do not believe we had any applications from any area at the time when we started negotiations.

Q. When you arrived at this plan which you speak of you, at least tentatively, allotted channels 6, 9 and 11 to the large Toronto metropolitan area and then you were receiving applications from applicants in the Toronto area for those channels, were you not? Some of those applications for the Toronto area go back years.—A. We may have had letters of intent stating when the time comes we propose to apply. I cannot tell you how many we had at the time.

Q. Those were from responsible people already engaged in sound broadcasting as well as others?—A. I believe a few of them were, yes.

Q. But the C.B.C. itself had nothing to do with the shift in channels? That was the decision of the Department of Transport alone?—A. Yes, because the Department of Transport was receiving applications from those other places.

Q. What about the remaining channel in Toronto; how long is it going to remain secure there while it remains unoccupied; channel 6?—A. That falls under the present policy of the government and I could not answer that question.

Q. As things stand now, because of the policy of single service coverage, channel number 6 remains allocated to Toronto but unoccupied?—A. That is correct.

Q. You are not in a position to say whether there is or is not any likelihood of that channel being taken away from the Toronto area?—A. I am not in any such position, Mr. Fleming.

Mr. GOODE: Mr. Chairman, I would like to ask a question on part of the correspondence which I have received this morning. I do not intend to question on the international broadcasting company. I am in your hands as to whether I should question on this now, or if I should question on it at all, or whether the committee would wish to see the correspondence before I do question Mr. Browne on it. I have to leave it in your hands.

The CHAIRMAN: Are there any other members of the committee who would like to question on this?

Mr. FLEMING: Is the correspondence voluminous or brief?

Mr. GOODE: There are 4 letters. It does include certain matters of policy. Questions have been asked and answered in the committee, and we put some bearing on those questions. Perhaps I might be permitted to question on this and then the committee if they wish can question further. I should have your permission, Mr. Chairman, to question on this because it might be considered confidential—I do not know.

Mr. FLEMING: Is any of it marked "confidential"?

Mr. GOODE: The minister raised this the other day and I do not want to put the chairman in an embarrassing position.

The CHAIRMAN: Do you regard the letters as somewhat confidential, Mr. Browne?

The WITNESS: Some of the applicants have objected to their correspondence in connection with these applications being made public because in some cases they have been negotiating for land or property on which to build a station and people having heard that when they are approached sometimes have put up the price to the prospective applicants.

The CHAIRMAN: Then, I think to protect the applicants—

Mr. GOODE: This correspondence is dated early in 1953 and I would doubt that it had anything to do with land at this time. Knowing the company quite well I am quite sure they would have protected themselves in that respect long ago. If this correspondence was 1954 or 1955 correspondence perhaps that would be true, but I certainly do not think that is the case now.

The CHAIRMAN: If any other member of the committee asked for the production of the same kind of material and if it should not happen to be dated far back like this correspondence, he might ask me and he would have a right because the precedent would have been created to have the correspondence made public, the same way you are now asking.

Mr. GOODE: I am not going to argue with the chair. That is why I put the request in the first place in this way. I think we can get around it by not mentioning names.

The CHAIRMAN: Would that be agreeable to you Mr. Browne?

The WITNESS: That would be agreeable to me.

Mr. WEAVER: Perhaps Mr. Goode could ask hypothetical questions.

Mr. GOODE: I do not like hypothetical questions. I think I can get around it by not mentioning any names.

The WITNESS: I see no objections if you do not mention names.

By Mr. Goode:

Q. Mr. Browne, we have been told in this committee that it is government policy that no applications may be received for private television licences in British Columbia. Is that your understanding of government policy?—A. Not in British Columbia, in areas covered under the single service coverage policy.

Q. Then, in a letter signed by you of March 19, 1953, addressed to a company in British Columbia, it says this:

I am enclosing the following:

(1) extracts from the Radio Act 1938, the Canadian Broadcasting Act, 1936, and the regulations made under the Radio Act, 1938 respecting broadcasting stations.

(2) Broadcast specifications Nos. 11 (provisional) and 15.

(3) List of consultants recognized by this department for the preparation of technical briefs.

(4) Application forms.

And in connection with these application forms you say:

The application forms should be completed and submitted to this office together with all exhibits called for, in triplicate, except the technical brief which is required in quadruplicate. The appropriate sum of money required as a deposit toward the licence fee should also accompany the form. This deposit will be returned in the event of the application not being approved.

You go on to say:

The forms must be completed in full.

You invite applications for a television licence in a certain area in British Columbia and yet we have been told repeatedly in this committee it is government policy that no applications will be received. Now, what policy is correct? Has the government a policy where they will not receive applications or is there a different policy in the Department of Transport where applications are not only sent but invited to be sent back to Ottawa?—A. At that time we did not have the engineering data in connection with the establishment of the C.B.C. station in Vancouver. We had nothing on which to base a decision or an opinion whether the establishment of a station at Victoria would be in contravention of the single service coverage policy. Further my understanding is that we sent the forms out so that the applicant could prepare an application and submit it for consideration.

Q. When that application was received, if it was received, where did it go? After it left your department it would go to the C.B.C. Is that right?

—A. Provided that the department had found it in order to send it to the C.B.C. from an engineering standpoint.

Q. From an engineering standpoint only?—A. Yes.

Q. Do you happen to know whether this application was sent to the C.B.C.?—A. I do not think that any application was ever received, Mr. Goode.

Q. These application forms which you sent to the company on March 19, 1953, were never received back in your department?—A. No.

Q. Then it says in a letter from this company of February 20:

We trust that this letter will be accepted as a first application for a licence to telecast from . . .

a city on Vancouver Island. Do you accept then that an official application has been received by these people?—A. No, we do not accept the letter.

By Mr. Boisvert:

Q. May I be permitted to come back to the question answered this morning by Mr. Browne which was directed to him on Tuesday. The question is this: since 1953 to the 1st of May, 1955, 17 new licences were granted by your department. Could it be possible to know how many were granted for regions where there were no stations and how many were granted for regions where there were some stations?—A. We will have to check up that, Mr. Chairman.

Q. Then with respect to another problem; would it be possible Mr. Browne, to have the names of the owners of privately owned broadcasting stations, both sound and television, and also the names of the directors when the station is owned by a company? I remember in 1952 we had this figure produced to the committee.

The CHAIRMAN: Mr. Browne does not recall that.

The WITNESS: We do not usually publicize that detailed information, Mr. Chairman.

The CHAIRMAN: Do you insist, Mr. Boisvert?

Mr. BOISVERT: I am willing to withdraw my question, but I know that it was done.

The CHAIRMAN: Mr. Browne says he does not recall that.

Mr. BOISVERT: I think I could find the list in my file. The question was directed to Mr. Browne in 1951, I think. I do remember that the information was given to the committee.

The CHAIRMAN: I shall now take this opportunity of putting on the record citation 538 of Beauchesne's Third Edition on the question of production of documents:

Some times when a committee requires special information it will report to the House a request for the necessary papers which will be referred to it forthwith. Can. C. J. Vol. IX, p. 176.

The committee can obtain directly from the officers of a department such papers as the House itself may order, but in case the papers can be brought down only by address, it is necessary to make a motion on the subject in the House

through the chairman. B. 470, 471.

I am not a lawyer, but I think under this citation I could have refused the production of the documents about which Mr. Goode was kind enough not to mention any names. I would ask other members of the committee if they have questions to put to be as cautious as Mr. Goode has been in his questioning of Mr. Browne.

Mr. STUDER: I would like to ask what is taken into consideration when there are two applicants from the same point applying for a licence? How is it determined as to which applicant shall receive the licence?

The WITNESS: All the applications, if there are more than one from the same place, are referred to the CBC for a recommendation in accordance with the statute. I cannot say, Mr. Studer, what the CBC base their recommendation on in considering simultaneously more than one application.

Mr. STUDER: To whom would I address that question?

The CHAIRMAN: I will allow your question to be put to Mr. Dunton when he comes back as a witness.

Mr. STUDER: I imagine there are certain standards they go by.

By Mr. Fleming:

Q. Mr. Chairman, may I ask Mr. Browne a question arising out of the correspondence. In the correspondence which you have submitted now and on which Mr. Goode based his questions there are two applications, are there not?—A. There are two inquiries I believe from two different places.

Q. Yes, from two different parties entirely.—A. Yes, there are two parties.

Q. I notice that in a letter dated April 13, 1953, you say in paragraph 2:

"I would advise that the general question of television coverage in the Victoria area has been reviewed. And it has been decided that applications for licences for television broadcasting stations to be established to serve that area may be considered."

What was done by the department in pursuance of that decision?—A. We were not aware at that time, as I stated previously, Mr. Fleming, of the area to be encompassed because we did not have engineering particulars of the contours of the Vancouver station.

Q. I take it that decision was reversed as soon as you received the engineering reports from the CBC station at Vancouver which showed the contours it was to serve.—A. Yes. Actually if briefs were submitted covering proposed stations at those places the coverage would have had to be limited to such an extent as to make it a non-economically sound proposition.

Q. When was that second decision taken to reverse the first one which is described in this letter of April 1953?—A. It was not until several months later.

Q. Had any formal application been received for the Victoria area in that interval.—A. No.

Q. Is the effect of the single service coverage policy and the existence of the CBC station at Vancouver to preclude any licence for a station at Victoria?—A. It is a very difficult question to answer without an engineering submission, but I feel looking at the Vancouver contours that a station if established in one of these places would have to be so small it would not be worth while putting one in.

Q. So that to all intents and purposes in a practical sense the application of the single service coverage policy as you understand it now precludes the licensing of any station at Victoria?—A. From the practical standpoint, yes.

Q. What about Nanaimo?—A. I would say that the same thing applies to Nanaimo.

Q. You could not have a station there also as things are today under that policy?—A. No. In fact it would not be possible for the station in Nanaimo at all because it is within the grade "A" contour of Vancouver. It is near the edge of it as a matter of fact.

Q. The other question I have to ask is about a letter written by you of February 16, 1953, paragraph 4:

With respect to your submission on TV tower site on behalf of a client at New Westminster, we feel that at the present time there is little to be gained by processing any aspect of an application for television facilities at New Westminster. As you are aware this area is to be served by a CBC station in Vancouver, therefore other applications from this area may not be now entertained.

Had you received any applications for a licence for the New Westminster area prior to the writing of that letter?—A. Yes, we did receive a complete application in 1950 but it did not conform with the channeling scheme which was finally adopted. It was never processed.

Q. Never what?—A. Processed.

Q. Well, do I understand that the application not having been processed simply sits on your file?—A. They did not proceed with it anyway.

Q. It has never been rejected formally?—A. There was some correspondence in connection with it and at one time they proposed to proceed with it on the basis of another channel and finally dropped it.

Q. When was the decision reached by the department that because of your single service coverage policy and because of the erection or plan for erection by the C.B.C. of the station on its own at Vancouver that there will be no possibility of giving a licence for a station at New Westminster?—A. There was never any possibility of a station at New Westminster because of the single coverage policy because New Westminster was well within the coverage area.

Q. It comes back to the single service coverage policy again?—A. Yes.

Mr. BOISVERT: Mr. Chairman, I did not insist on a question I asked with respect to ownership, but I think really it would have been of public interest for the committee to know the trend of ownership of the private stations in Canada today. The only way to know what that trend is would be to know the name of the directors of the corporation who own a private station.

The CHAIRMAN: You would like to have a list of all privately owned stations?

Mr. BOISVERT: I asked that question just to know the trend of ownership of private stations in Canada today. I think it would have been of public interest to have the information in answer to my last question.

The CHAIRMAN: Would you ask your question when the C.A.B. people come before us if they have no objection to giving the names of the owners of their stations. You can put that question to Mr. Allard.

By Mr. Weaver:

Q. Is there a standard licence fee for all private stations or does it vary with the size and power of the station?—A. I believe we dealt with that at the last meeting. Stations are divided into seven categories and the fees are based on the gross revenue—the annual gross revenue—and they vary from a fee of \$100 for category “A” stations up to \$6,000 for a station in category “G”.

Q. That is just one fee, not the annual fee?—A. It is the annual fee.

By Mr. Carter:

Q. Mr. Chairman, we have heard a lot in this committee about contours, grade A, grade B contours, and so on. Could Mr. Browne enlighten us a little further just as to what is the difference in these contours and whether they are land or air barriers?—A. The grade A contour is known as the primary service area of a station and good results usually will be obtained on a receiver with so-called rabbit's ears. The grade B contour extends further and reception usually requires an external antenna. Then there is the fringe area which calls for an elaborate antenna.

Q. Are these contours regularly contours representing land areas of what?—A. They are more or less regular in the case of a non-directional antenna, but in some cases stations are required to put in a directional antenna which causes the contour to be irregular in shape.

Q. Then what would be the position when the area included both sea and land? The contour would stretch out much further over the sea than over the land; would it not?—A. Not necessarily so.

Q. But the range of reception is much greater, is it not?—A. It really depends on the height or elevation of the antenna. Generally speaking it is a straight line of sight proposition, but the signals do bend some and that is further than the theoretical line of sight.

Q. Does the conductivity of land come into it?—A. Not for frequencies used for television purposes.

Q. Oh, you are still talking about television?—A. Yes.

Q. Does it apply to sound broadcasting?—A. No. The behaviour of the radiation pattern in sound broadcasting follows different characteristics altogether.

Q. But you do take these contours into consideration in the case of sound broadcasting?—A. Absolutely.

Q. I was thinking mostly about sound. There would be irregularity with regard to sound?—A. Yes, and there are more directional patterns required, too. In the case of sound broadcasting stations the patterns are required to protect stations on the same channel in other areas both in our own country and in the United States.

Mr. DINSDALE: You made an observation, Mr. Browne, some time ago that the cost of television stations is decreasing. Has that been a substantial decrease, and what is bringing it about?

The WITNESS: I have not got very much information on that because we in our department do not establish television stations, but I am sure that our friends in the C.B.C. can furnish you with that information.

By Mr. Goode:

Q. Do you happen to know whether the Hamilton station is carrying any Toronto-sponsored programs, or can any of your officials tell you?—A. No, we would have nothing to do with the program side.

Q. You said in reply to Mr. Fleming that a station in Victoria and certainly a station in Nanaimo would be an uneconomic proposition. That is not the information which we had with regard to private stations from the C.B.C.

If I remember correctly Mr. Dunton said that such stations would make plenty of money—that was a general statement of the national picture. Do you still insist that a station in Victoria would be an uneconomic proposition?—A. If the C.B.C. gave you that information I bow to their superior knowledge and judgment.

Q. I could be corrected by you, Mr. Chairman, if my statement is not correct, but I am almost sure that that is what the C.B.C. representatives told me.

The CHAIRMAN: You can go back to that matter later if you wish, Mr. Goode.

By Mr. Goode:

Q. This statement with regard to Victoria and Nanaimo—you have based that statement on the fact that a Victoria or a Nanaimo station would overlap this A contour area in Vancouver. May I get back to this proposition—that your department has allowed an overlap in the Toronto area, knowing that an overlap would occur, before the Hamilton station even reached the stage of construction. But in British Columbia we cannot have a station because it would have some bearing on the income of the C.B.C. station in Vancouver. May I again put this to you: is there one policy for Toronto and another for Vancouver with regard to television coverage?—A. No sir. There is one coverage policy for all of Canada.

Q. How then would you justify the situation that Victoria cannot have a station because such a station would overlap the Vancouver area when a Hamilton station was allowed at a time when you knew it was going to overlap Toronto?—A. The Hamilton station was required to put in a directional antenna so that compliance with the single station policy would be assured.

Q. Your department knew there would be overlapping in the Toronto area before the station was established. Let us be fair on that.—A. Perhaps, but not to an extent which would conflict with the policy of the government.

Q. Well, Mr. Browne, you can stay with that statement if you like but I would still like to get a yes or no answer to my question whether the department knew that the Hamilton station would overlap with the station in the Toronto area.—A. I am looking at a contour map here, Mr. Goode, and I can see no Grade A overlap between the Hamilton and the Toronto stations.

Q. But you have told us, Mr. Browne, that an overlap does occur, and that a large number of television instruments in Toronto receive the Hamilton station.—A. With a very good antenna it is possible to receive Hamilton in Toronto.

Q. I think Mr. Fleming has told the committee that Buffalo can be received in the Toronto area. It is natural to assume that there are a large number of these extraordinary antennae in use by homes in Toronto, and your department knew that when the Hamilton station was established.

Mr. FLEMING: Buffalo signals are received extremely well in Toronto, and that station is further away than Hamilton. But I believe the C.B.C. in following this policy was doing its best to keep the signal from the Hamilton station out of Toronto—if you can imagine such a thing, when the station is 40 miles away.

Mr. GOODE: I can imagine such a situation, because something like it is happening in Victoria; they are not allowing a British Columbia station to be operated. I take it that there is a policy for Ontario and a policy for British Columbia, and I am going to stay with that opinion until something is said which makes me change it.

By Mr. Richard (Ottawa East):

Q. If you call that overlapping, in Montreal they get overlapping from Syracuse and everywhere else. I understand, Mr. Chairman, that certain channels are reserved for certain areas. In Ottawa we shall have channels 4 and 9, is that right?—A. Correct.

Q. Are there any other channels that have been reserved for the future for the Ottawa area.—A. V.H.F.?—There is at least one, if not two. No, they are UHF channels.

Q. There have been no other channels reserved for Ottawa?—A. UHF channels, yes. That is the other band.

By Mr. Goode:

Q. If I may ask one more question: what is going to happen to the three channels—I think there are three channels—which are available now on the mainland of British Columbia? Are we just going to let them lie there year after year until government policy is changed?—A. That would be a matter for the government to decide.

Q. You know of nothing which is going to be done with regard to these channels in the foreseeable future?—A. No.

By Mr. Weaver:

Q. Would it be possible for the committee to get a map with the contours of the various stations superimposed on it?—A. It would be quite a job to prepare a map like that. I think that the stations themselves do not care for their contours being published, either, for business reasons.

The CHAIRMAN: That is one way to look at it.

By Mr. Weaver:

Q. I should think that they would be glad to have them made public.—A. The only people to whom we have released that information are the radio engineers who practice before the department in the preparation of briefs, and they have been required to keep the information confidential.

By Mr. Fleming:

Q. The so-called single service policy at present being complied with means, does it not, a single Canadian service regardless of how many United States' stations might be sending their signals into an area, as, for instance the case of Toronto?—A. That is correct.

Q. So that you might have two or three signals coming into an area from United States' stations but the policy will not permit consideration of an application from a Canadian private applicant just as long as there is another station in the area.—A. We have to abide by the single service coverage policy.

The CHAIRMAN: Do you want to put questions on the information which has been given by Mr. Browne with regard to television applications pending? Do you want it on the record or not?

Mr. FLEMING: I presume it should go on the record.

The CHAIRMAN: At this point?

Mr. FLEMING: Yes.

The CHAIRMAN: Is that agreeable to the committee that this should go on the record?

Agreed.

ENQUIRY BY MR. FLEMING
TELEVISION APPLICATIONS PENDING

Name	Place	Video Power (Watts) ERP	Audio Power (Watts) ERP	Channel	Date of Application	Date Received	Remarks
The Island Radio Broadway Co. Ltd.....	Charlottetown, P.E.I....	21,000	12,500	13	Feb. 21, 1955	Feb. 25, 1955	Recommended for li- cence, further action pending.
Lethbridge Television Ltd.....	Lethbridge, Alta.....	102,800	57,500	7	Mar. 2, 1955	Mar. 7, 1955	Recommended for ap- proval, further ac- tion pending.
Radio Station CKNX Ltd.....	Wingham, Ont.....	20,000	12,000	8	Mar. 1, 1955	Mar. 4, 1955	Recommended for li- cence, further action pending.
Quebec North Shore & Labrador Railway Company.....	Knob Lake, Que.....	43	22	9	Mar. 4, 1955	Apr. 5, 1955	Referred to C.B.C.
Central Alberta Broadcasting Co. Ltd.....	Red Deer, Alta.....	4,540	2,270	6	Apr. 5, 1955	Apr. 7, 1955	Under technical study.
J. F. Grainger (on behalf of a com- pany to be incorporated).....	North Bay, Ont.....	21,000	12,500	10	May 11, 1955	May 12, 1955	Under technical study.
Gerald A. Alger (on behalf of a company).....	North Bay, Ont.....	28,500	14,250	10	May 10, 1955	May 13, 1955	Under technical study.
J. Conrad Lavigne Enterprises Ltd.....	Timmins, Ont.....	18,500	9,250	6	May 9, 1955	May 13, 1955	Under technical study.

By Mr. Fleming:

Q. There are eight applications for television licences on the list which has been furnished to us. I see that the first three have been dealt with by the C.B.C. and have been recommended; the fourth has been passed to the C.B.C., and the last four are still under study by your department prior to possible reference to the C.B.C. Is that correct?—A. Yes. I may say that a considerable amount of work is required in connection with the study of these applications from an engineering standpoint and in addition there are the masts which are proposed in connection with the applications, and these have also to receive consideration; the height, location and other details with regard to the proposed masts have to be passed on by the civil aviation authorities in connection with the possible hazard to flying.

Q. Mr. Browne, this is not quite the list which I expected, and I will come back to that matter in a moment. But taking the list within its four corners, there are two applications here from North Bay, numbers 6 and 7, on your list. These are the only applicants from areas on this list which seem to be close enough to overlap. Is that correct?—A. Overlap from what standpoint?

Q. I am speaking of the list...—A. They would be mutually exclusive.

Q. Assuming the technical studies are satisfactory, will it be the policy of your department to refer both these applications to the C.B.C. for its recommendations?—A. That is the customary procedure.

Q. You are only concerned with the technical requirements and if both applicants fulfill the technical requirements of the department it would be your duty to refer the two of them to the C.B.C., knowing that as long as the present policy of single service coverage applies only one of them could be licensed?—A. Yes. There are of course financial considerations—whether the capitalization is adequate and whether applications are in order from that standpoint.

By Mr. Monteith:

Q. These capital considerations you are speaking of—is that decided to be sufficient by your department or by the C.B.C.?—A. I would say by both. We pass on it first of all. Our people examine applications from that standpoint, and if they are in order we usually refer them.

By Mr. Fleming:

Q. Mr. Browne, I indicated a moment ago that this was not quite the list which I expected. I thought that, as in previous years, you were going to give us a full list of the applications that had been received. Perhaps we have been somewhat at cross-purposes with regard to the technical meaning of the word "applications" but on previous occasions you gave us a longer list of applicants. I am thinking in particular of some in the Toronto area who are not on this list. You are dealing with this question of applications in the sense of applications that reach the formal stage with the technical data accompanying a formal application.—A. That is the only type of application which we consider to be an application.

Q. I am sure we shall have to go back to what one might call "informal" applications about which you supplied particulars to a previous committee. Two years ago I believe you gave us an extended list going back seven or eight years.—A. I know I have submitted several lists in previous years but we may have embodied in those lists mere inquiries asking for forms, or letters from people saying they propose to apply for a licence. Through the years the form of application has developed into quite a complicated statement, both technically and financially. From the financial standpoint alone the complete brief today with regard to an application is quite a comprehensive and involved thing. The chairman has called my attention to a list submitted in 1953, and it

is headed "List of persons and companies in correspondence with the Department of Transport regarding the establishment of television broadcasting stations in certain areas." That of course is a far cry from what we have before us here, and I understood you to mean, Mr. Fleming, when you asked for the list the other day, that you wanted a list of bona fide applications.

Q. I am sorry that there has been this misunderstanding. I should have stated what I wished in more precise terms. Let me ask a question or two before intimating more definitely what I think we need.

This single service coverage policy is well known throughout the country now among any persons who may harbour thoughts of applying for a licence, and I take it that as long as that policy continues in existence everybody in the business knows that there is no use putting in an application for a licence if they want to serve an area which is already served by another station. Is that not correct?—A. That is so.

Q. And the preparation of the formal application, which you understand the word "application" to mean, must involve the applicant in considerable expense because it must be accompanied by engineering study. Is that not so?—A. It does.

Q. Obviously an applicant is not going to incur that expense if the policy now being followed prevents the department from considering his application?—A. We have told people in response to inquiries of that type—people who write and say they want to go on record as intending to apply for a licence—that when the time comes... I have a specimen form of a letter of that type which I write in such circumstances, and that would explain the position we take with regard to these inquiries.

The CHAIRMAN: Are there any other questions?

Mr. FLEMING: Mr. Browne was about to read a specimen letter.

The WITNESS: Yes. This is the letter we send:

Ottawa

Gentlemen:

1. I wish to acknowledge receipt of your letter dated in which you request forms for submitting an application for authority to establish and operate a Private Commercial Broadcasting Station (Television) at or near

2. As you are aware the single service policy, adopted with the objective of extending television service as widely throughout Canada as is practicable, excludes the processing of an application for authority to establish a station at Since the requirements for an application change from time to time we have not complied with requests, for forms, from those places where an application would not be acceptable.

3. If the policy should be changed, a public announcement to that effect will no doubt be made by the Government, and if you still wish to apply at that time you may obtain the necessary forms from this office.

Yours faithfully,

(G. C. W. Browne)

Controller of Telecommunications.

By Mr. Fleming:

Q. Mr. Browne, I am trying to expedite and simplify this enquiry. I was interested in bringing up to date the list of persons, companies, etc., in correspondence with the Department of Transport regarding establishment of television broadcasting stations in the areas of Halifax, Montreal, Ottawa, Toronto, Winnipeg and Vancouver which appears at page 467 of the proceedings of

the 1953 special Committee on Broadcasting. If you were asked to prepare a similar statement today with respect to those areas which are served by the big television transmitting stations of the C.B.C. would it be the same list which you would supply?—A. We would prepare a similar type of list to that.

Q. Would there be any changes in it—any additions?—A. Some of those people mentioned in the list before you—I am not sure of it—may by this time have applied and been granted licences. I cannot say without reading through the list.

Q. Let us then run through this quickly. CKOY, Ottawa—you obviously have not granted that?—A. No.

Q. La Compagnie de Radiodiffusion CKCH de Hull Ltee, Hull, Quebec—you have not granted that?—A. No.

Q. For the same reason, namely that the C.B.C. is opening up a station here at Ottawa?—A. True.

Q. And then you had a letter of inquiry from Mr. H. May of Weston, Ontario. I take it you could not grant that licence because station CBLT serves the Toronto area?—A. That is correct.

Q. These first three letters were received in 1951. Then there were five letters received in 1952. One was from the Famous Players Canadian Corporation Limited of Toronto, Ontario. Again this application is “out” because of station CBLT in Toronto.—A. Yes.

Q. Next you have an application from Broadcasting Station CKY of Winnipeg, Manitoba. Obviously that is “out” because of the C.B.C. station established at Winnipeg?—A. Yes.

Q. Next we have one from the Winnipeg Tribune, Winnipeg. That could not be granted in view of the fact that you have a C.B.C. station in Winnipeg?—A. That is correct.

Q. Next is an application from the Chronicle Company Limited of Halifax, N.S. The same reason for rejection would apply there—the presence of a C.B.C. station in Halifax.

Then there is a letter from the Rogers Radio Broadcasting Company Limited of Toronto in 1952. Again that is out of the question on account of CBLT. Then you had a letter from the Standard Broadcasting Company of Nanaimo, British Columbia. For the reason you have given this morning you could not grant a licence for Nanaimo because of the Vancouver station?—A. That is correct.

Q. Then you had an application in 1953, dated January 26, from the Toronto Broadcasting Company Limited. The same situation would apply there because of CBLT, would it not?—A. That is correct.

Q. Then you had an application from the International Broadcasting Company, Limited of New Westminster, British Columbia and that, for the reason you have given us this morning, could not be accepted because of the C.B.C. station in Vancouver?—A. Yes. Actually that application was withdrawn by the applicant.

By Mr. Goode:

Q. Quite lately though?—A. Quite lately.

Q. It was not at that time?—A. No.

By Mr. Fleming:

Q. There would not be much point in leaving the application there as long as you were applying the single service coverage policy?—A. No.

Q. I presume that your list was complete at that time Mr. Browne?—A. It was up to date then.

Q. And presumably the date on which it was submitted to the committee was about May 5th, 1953. May I take it that you have not had serious in-

quiries from these areas since because of the well known fact that the single service coverage policy is in operation and that the C.B.C. has transmitting stations in these areas? There would be no point in making an application in respect to any area here because it would not be received?—A. I would not say positively that we did not have inquiries from one or two of these places, but if there had been any they would have had the same reply.

Q. If there are any other serious inquiries of the kind which you would have included then in this list had you been making up this list in preparation for today, would you communicate them to the committee, please?—A. Yes.... We have no applications to report to the committee. There are no applications on our files. We have already gone through the files.

Q. Then we may take it that the list before the committee on page 467 of the proceedings of the 1953 committee is complete as of this date?—A. Yes.

The CHAIRMAN: Are there any other questions?

By Mr. Weaver:

Q. I would like to go back to my request about the contours of these stations. The policy of the government hinges on the coverage in this country and I am surprised that these contours cannot be made available to the committee. Citizens of this country pay for television out of the taxes on their sets and they will be asked by salesmen and stores to pay \$300, \$400 and \$500 for a set when there is no evidence that there will be grade A or grade B coverage for them. I think that information ought to be included among the other information which has been placed before the committee. It is government policy that there should be single coverage, but we have no idea what single coverage is.—A. I have nothing further to add to what I have said, Mr. Chairman. I have stated the position of the department with regard to this type of information—that we have up to now maintained it on a confidential basis.

By Mr. Richard (Ottawa East):

Q. Is that information prepared by others or by your departments?—A. It is prepared by the applicants for licences.

Q. You have no maps in your possession prepared by the department which show the contours, both A and B, of stations for which licences have been issued?—A. Other than the contours furnished by the applicant when the application was filed we have made no measurements to determine whether those contours are in conformity with the actual radiation from the station. In practice there may be some slight variation.

Q. But you satisfied yourselves before accepting these applications that they were correct?—A. They have been studied by our engineers and accepted as correct.

Q. They have been accepted by the department. I do not see why the information should not be available.—A. In actual practice due to the geography of the country in various areas—there may be some areas with “shadows”—the signal level may be lower in one spot than in another, and for that reason the estimated contours may not be strictly correct.

Q. But it would still simplify the problem if these maps, once they had been approved, were in the possession of those who are interested. They are no longer confidential once the application has been issued.

By Mr. Goode:

Q. Certainly the department would have on their files the contours concerning existing C.B.C. stations. You would certainly have that information because there must have been an application of some kind processed through some department of government.—A. We have the engineering information in connection with all the stations including the C.B.C. stations.

By Mr. Carter:

Q. You publish the power and various other information about these stations. Is that not sufficient data for a competent person to be able to work out the contours, given the type of antenna which was in use?—A. For an engineer, yes.

Q. This information is confidential only to people who are not engineers? Any engineer can get the necessary data to work out the contours for himself?—A. It would be difficult because of the varying nature of the terrain and so on.

Mr. WEAVER: The whole policy of television in Canada hinges on this.

Mr. RICHARD (*Ottawa East*): There is a real objection, then, to producing these contours?

The CHAIRMAN: Mr. Browne answered that question before.

Mr. FLEMING: But did he make some comment on the observation which Mr. Weaver has just made?

The CHAIRMAN: He is certainly not discussing government policy.

Mr. FLEMING: It was certainly a very penetrating observation.

The CHAIRMAN: Mr. Browne cannot discuss government policy.

Mr. FLEMING: Not the merits, but he can discuss the way in which it is being applied. As Mr. Weaver properly said, the whole application of this single service policy depends upon these contours. How are people who want to make an application to know what areas will be available unless there is something on the file for them to examine?

The WITNESS: They go to their consulting engineers who have the information and can make it available to them.

By Mr. Fleming:

Q. Where do they get that information, Mr. Browne?—A. From us. They are furnished with it on a confidential basis. They are furnished with all these patterns because they have to have this information in order to prepare their briefs.

Q. Will you give that information to any engineer who comes along and says "I have been asked by Mr. John Jones to advise on the possibility of his obtaining a licence in area "X"?—A. Not to any engineer, but to those engineers who are recognized by the department as competent to practice in the preparation of these briefs.

Q. Do you keep a list of them?—A. Yes we do. I have the list here.

Q. What is the source of that list?—A. It is our departmental list—a list of the names of engineers approved by the department.

Q. Is the list public property.—A. Yes.

Q. It will be interesting to see it. How many engineers are there on it?—A. Twelve.

Q. Do you mean to say that there are only twelve engineers in the Dominion of Canada who enjoy this kind of treatment from the Department of Transport—that they are the only people to whom the department will give information about the contours of existing stations?—A. No. If an engineer applies to the department to practice before it for this purpose and he is approved by the department as competent we will put him on the list.

By Mr. Knight:

Q. Are they concerned with existing licences or are they not rather concerned with applications for available licences—is that not the idea?—A. I do not understand.

The CHAIRMAN: Will you put your question again Mr. Knight?

By Mr. Knight:

Q. Mr. Fleming asked whether there were only these twelve engineers in Canada who would be supplied with the contours of existing stations—stations which are already working. My question was this: is it not Mr. Browne's idea that this information will be supplied to these engineers in regard to new territory about which applications were pending?—A. They require information regarding existing stations because they are the ones they have to keep clear of in the preparation of their briefs.

By Mr. Fleming:

Q. It would be interesting, I think, to see that list, if you will put it on the record. Is it not a dangerous thing to confine to a handful of engineers out of the thousands in Canada the right to receive information on this basis?—A. I think, Mr. Fleming, that it is a matter of supply and demand. After all there are not many applications processed in a year. The number here is twelve, and if you divide the number of applications among twelve engineers, there is not a great deal of business for them.

Q. Are there copies of the lists available?

The CHAIRMAN: You can read out the names, Mr. Browne.

The WITNESS: Mr. Keith A. MacKinnon, Ottawa, Ontario; Doctor Frederick S. Howes, Montreal, P.Q.; Bayly Engineering Limited, Ajax, Ontario; Lieut. Colonel W. Arthur Steel, Montreal, P.Q.; R.C.A. Victor Company Limited, Montreal 30, P.Q.; Canadian Marconi Company Limited, Montreal 16, P.Q.; Canadian General Electric Company, Toronto 4, Ontario; Mr. Michel R. Kelton, P. Eng., Montreal, P.Q.; Mr. Gerald W. Lee, P. Eng., Galt, Ontario; Mr. D. B. Williamson, P. Eng., Hamilton, Ontario; Mr. George R. Mather, P. Eng., Port Credit, Ontario; R. H. Nichols Limited, Toronto 10, Ontario.

The CHAIRMAN: Those are all the names you have?

The WITNESS: Yes.

Mr. GOODE: You have not a consulting engineer in British Columbia?

Mr. RICHARD (*Ottawa East*): You have not enough television stations.

The WITNESS: When we receive an application from British Columbia . . .

Mr. GOODE: When British Columbia is allowed to have their just due in television we shall find you all the consulting engineers you want.

By Mr. Fleming:

Q. Who passes on these applications by engineers to get on this preferred list?—A. The engineering division of the department—I should say the engineering section of the Telecommunications Division.

Q. How many applications have you had over the years?—A. Comparatively few. This is a very specialized branch of the radio engineering profession.

Q. Have you rejected any?—A. We may have rejected one or two. I do not think there would be more than one or two.

Q. What were the grounds of those rejections? I am not asking for names.—A. I cannot give you names without consulting our records. If there were any cases there would not be more than one or two.

The CHAIRMAN: Mr. Fleming is not asking for the names.

By Mr. Fleming:

Q. No. I was asking for the reasons for rejection.—A. An applicant would be rejected as not having the necessary qualifications or experience, or both.

Q. And your branch undertakes to say whether a man has had experience in this field adequate to enable him to be admitted to this preferred list?—A. Yes. They are required to submit a statement of their academic qualifications and practical experience.

Q. How is a man going to get experience in this field if this is going to be limited in this way?—A. He may have worked under senior engineers in one or other of the companies which are on this list. You will have observed that most of the manufacturing companies—the radio manufacturing companies—are included in the list and they have in their employ engineers who prepare these briefs and who are competent to do so. Actually the name of the company in each case is shown on the list because sometimes there is a staff change—a change in the member of the staff who handles the work of the briefs. The company submits a new name and gives us particulars of the new man's background.

Q. Would this not mean that the list now is pretty well limited to its present form and to any engineers who may be employed by people now on the list, in view of what you have said about the necessity of having experience in this field before you are prepared to admit applicants to the preferred list?—A. It is quite likely that there will be changes in the list from time to time.

Q. Such people as are admitted to it will almost of necessity be people who have been employed in the engineering firms or in the offices of individuals already on the list?—A. They must acquire the experience somewhere, I do not think we would accept an engineer out of college unless he showed that he had some background—probably that during his summer training periods he had worked on this type of specialized employment with one or other of the companies.

Q. Does this list include the engineers of the C.B.C. or are they excluded?—A. They are extra, I believe.

Q. I presume that if the C.B.C. is interested you would just give the information to the C.B.C. as such?—A. Yes. For new applications we do not mimeograph or photograph these contours or send them indiscriminately to the consultants. They have to come to the office and sit across the desk with our engineers and examine the material in that way.

Q. Are the engineering fees substantial in these cases?—A. I have no idea.

Q. You do not know anything about rates?—A. No.

Mr. WEAVER: Mr. Chairman, as I understand it these various stations submit their contours in the area in which they intend to practice and I move that the committee be supplied with the grade A and B contours of the television stations at present operating.

Mr. GOODE: I second the motion.

The CHAIRMAN: It has been said by Mr. Browne that they usually do not give this information. We shall have to make a motion to the House to get it.

Mr. GOODE: The reason I seconded the motion was that the position seems to be that twelve or more engineers are being given this information in Canada, while this committee is being refused that information, and for that reason I seconded Mr. Weaver's motion.

By Mr. Studer:

Q. Is there a limitation on the number of engineers who could apply? I do not accept that understanding of the position. I do not accept that there is any limitation whatsoever upon the number of engineers. If I am an engineer and if I wish to apply there is nothing hindering me except the fact that the business may be limited. As was pointed out, of course, I may be

rejected for lack of the necessary qualifications, but any engineer I know of has the same right to apply as any other. To take this to a logical conclusion, of course, if a sufficient number of men with the proper experience applied, they could draw out the business so fine that there would not be enough to go around. But am I to understand that the Department of Transport is hindering applications? Is there any hinderance to applicants, or is anyone discouraged from applying, or is there any limit set upon the number that can apply?—A. Nobody is discouraged and there is no limit except that of supply and demand.

Q. That was my understanding.

By Mr. Fleming:

Q. At the present moment is it not a fact that there are twelve engineers or firms and twelve only to whom you furnish this confidential information on request?—A. We allow them to examine the information.

Q. You make it available?—A. Yes.

Q. You say, in answer to my question, that there are twelve and twelve only who would have that information made available to them on request?—A. Yes, but if another twelve...

Q. But if somebody else wanted to enter this charmed circle of twelve he could make application to get on this preferred list?—A. Quite so.

Q. He has to get on that list before the information will be made available to him for examination, is that correct?—A. Yes.

By Mr. Carter:

Q. How many engineers have applied and have not been considered acceptable?—A. As I stated in reply to Mr. Fleming earlier, Mr. Carter, there may have been one or two. I am not even sure that there were.

Mr. GOODE: That supports the motion more than ever. There is a likelihood that more engineers could obtain this information, and the more who could get the information the more it makes this committee's position, if the motion is supported, clearer, because the more engineers who can get the information, the more reason this committee should have it.

Mr. BOISVERT: As a matter of general principle, this committee has to deal with the very important questions of broadcasting and television. I think it is very important to this committee to have available all the information possible if we wish to make a report to the House which will contain the views of this committee.

The CHAIRMAN: Mr. Browne said a moment ago that that information on contours is confidential, and that he produces it only to consulting engineers.

The WITNESS: Yes.

The CHAIRMAN: I ask the committee if it would be agreeable to them for Mr. Browne to consult with the minister and bring his position to us this afternoon after such consultation. Would that be agreeable to the committee?

Mr. RICHARD (*Ottawa East*): Including "B" contours as well.

The CHAIRMAN: Contours "A" and "B", surely. Mr. Browne, could you do that for us? It is now quarter to one.

A. Yes.

By Mr. Holowach:

Q. Mr. Chairman, I have something further with respect to television applications; but before I ask my question I would like to review the process of application as I understand it. When the application is submitted to your

department, you give careful technical study to it, and in addition you give consideration to the capital structure of the applicant. Is that correct?—A. That is correct.

Q. Now, in the event that you recommend that an application be passed, it is forwarded to the C.B.C. authorities. Is that correct?—A. Yes.

Q. Could you give us a concrete example of an application which you recommended to the C.B.C. authorities having been refused by them, and on what grounds in addition to the ones you have already mentioned?—A. We have not recommended any application to the C.B.C. The statute merely requires that we pass it on to the C.B.C. for their recommendation.

Q. Would you care to comment? What are the general observations submitted by the C.B.C. when turning down an application after it has obtained the approval of your department?—A. Well, the reasons are always given in the Board's recommendations, and I think they are embodied in a public announcement. There might be many reasons. One reason given frequently is that the area from which the application comes cannot support an additional station. I think that is one of the common ones.

Q. I would like to ask you a down-to-earth question. There is a certain suspicion in our country that there are certain motives in refusing applications. Would you say that political affiliations or considerations enhance or impair?

The CHAIRMAN: No. You cannot ask that question of Mr. Browne. I cannot allow it.

Mr. HOLOWACH: It is a suspicion which is prevalent in Canada, and I think that my question is a reasonable one.

The CHAIRMAN: We have kept away from politics in this committee since the beginning and I would not like that question to be asked of Mr. Browne. Please do not ask it.

Mr. HOLOWACH: That seems to be a matter about which the people of Canada are suspicious.

The CHAIRMAN: You can raise it on the floor of the House, but not here.

Mr. RICHARD (*Ottawa East*): How did they get the suspicion?

Mr. HOLOWACH: It seems to me that Mr. Browne in answering the questions could possibly tell us.

The CHAIRMAN: I wish you would not press the question.

By Mr. Fleming:

Q. This may be a hypothetical question: but there may be some borderline cases where you receive an application which your department considers likely to offend the single service policy for television. It is a fact that you dispose of it there and then and do not refer it to the C.B.C.?—A. I believe we have in one or two cases returned the application to the applicant and told him to resubmit it if, as and when the time comes.

Q. But so far as the C.B.C. is concerned, you do not leave it to the C.B.C. to judge whether or not an application offends the single service coverage policy in a particular area?—A. No.

Q. That is because it is the specific function of your department?—A. Correct.

Q. And if an application, under present conditions, is referred by you to the C.B.C., the C.B.C. is entitled to go ahead and deal with it then without any further regard for the single service coverage policy? Is that correct?—A. Yes, although if we came across what might be considered a marginal case, we might refer it to the C.B.C. in case they might wish to consider it.

Q. Why would that happen when it is your department which passes on the engineering aspects of the question, and on matters of contours and

questions of overlapping? I do not understand why there is some responsibility for the C.B.C. in such a situation.—A. Well, I think that in a case like that, if it were a borderline case, or one which I would considered to be a borderline case, I would not want to take the responsibility of denying to the applicant the right to process his application.

Q. Then I ask you if there have been in the last two and one-half years any such application where you have been in doubt as to whether the application might offend the single service coverage policy, and you have referred it to the C.B.C.?—A. You are referring now to television stations, to new stations?

Q. Yes.—A. No; I cannot say that I recall any. I am quite sure there are none.

Q. We can take it then from your answer that no such borderline case has yet arisen, and that every case so far as the single service coverage policy is concerned, has been dealt with by your department without reference to the C.B.C.?—A. That is correct.

By Mr. Monteith:

Q. I notice there are two applications here from North Bay, one dated May 10, from Gerald A. Alger; and one dated May 11 from J. F., Grainger. The former application was received on May 13, while the latter application was received on May 12. The former application was made on behalf of a company already incorporated while the latter application was made on behalf of a company to be incorporated.—A. That is a typographical error; it should read: "on behalf of a company to be incorporated".

Q. That is both Grainger and Alger should read that way?—A. Yes. These were prepared in a hurry.

Q. I gather they were prepared in a hurry due to the dating. There would be, of course, some previous notification that they wished to apply and they would be both writing in earlier to get the proper forms to make application and so on?—A. Yes. There must be prior inquiries in order to obtain the forms. We do not send forms to everybody who apply for forms and we do not send forms to the people who apply from areas which are already covered under the single service coverage policy. We write them in accordance with the letter which I read to the committee previously.

Q. Is there any information available to the public concerning applications pending? In other words, if one person was considering placing an application and so on is it possible for anybody else to find out that it is being considered by this first party?—A. No. We keep that information on a confidential basis. You mean do we discuss with one applicant that another one is applying at the same time?

Q. That is the question.—A. No, we do not. The applications eventually are referred to the C.B.C. for a recommendation and then they make a public announcement in the *Canada Gazette*.

Q. Say that again please?—A. I say when the applications are referred to the CBC for a recommendation the CBC issue a public announcement which is published in the *Canada Gazette*.

Q. But neither of these applications have reached that state?—A. No. They have just reached the department and are under technical study.

Q. How long has this North Bay channel 10 been under consideration by anybody, would you say?—A. I cannot tell you without looking up the record when the forms were originally applied for.

Q. It is just pure coincidence then that two separate organizations in North Bay decided at the same time to get busy on this and applied within one day of each other?—A. I would conclude that after looking at the dates.

I suppose news gets around locally. Somebody did ask that very question in our office, if there was another application coming in, and he was told that information was confidential.

Q. You could not give me the dates the application forms were sent out to parties interested?—A. Apparently the applications were made for the forms by legal firms and they did not disclose who they were for.

Q. I can understand that. There is Grainger and Alger and I suppose these two companies would be incorporated, but I just wonder when the set of application forms were sent out to Alger and Grainger? I am assuming that these are solicitors apparently I am wrong. When were they sent out to the solicitors for these parties?—A. I am not sure if the solicitors disclosed names. We can look at the files.

Q. Could you tell me the dates on which the forms were actually sent out which were received back in these two instances?—A. Provided that the solicitors were local people we could deduce from that they were acting on behalf of these people, but sometimes the solicitors live in Montreal or Toronto.

Q. If there were a set of forms sent to Montreal or North Bay you would still have the date?—A. If we sent a set of forms away to a solicitor in Toronto and he did not disclose the names of the people on whose behalf he was applying then—

Q. In other words you might have sets of forms out in the public's hand now which you do not know whether they are ever going to be sent in or not?—A. That could be so, but they are required to state where the proposed station is going to be and in that way we might be able to pin the two together.

Q. It would seem logical that you could arrive at a date at which the sets of forms were sent out?—A. Apparently 3 sets of forms were sent out for North Bay and we do not know which two were returned.

Q. There were 3 applied for from North Bay and only two received back as actual completed applications?—A. Yes.

Q. When somebody applies or writes in for application forms which eventually have to be filled out, an engineer has to do some preliminary work before the application is filed?—A. A considerable amount of preliminary work.

Q. The department then send out this list to the applicant so that he can choose any one of the 12?—A. A copy of this list is sent out with the application forms.

Mr. FLEMING: It is free advertising supplied by the government at its expense, is it not?

The WITNESS: Nobody else is eligible to prepare the brief so I do not see what else we can do.

Mr. FLEMING: That adds to the attractiveness of being in on the charmed circle it seems to me.

Mr. STUDER: I move we adjourn.

The CHAIRMAN: Do we need Mr. Browne this afternoon apart from the information he is going to bring after consultation with the minister? If we do not need him this afternoon we can continue on with the CBC. We are not through with the CBC yet.

Mr. FLEMING: Not by any means.

The CHAIRMAN: We are to hear the CAB on May 24 which is next Tuesday.

Mr. FLEMING: I suppose Mr. Browne is coming back this afternoon and if there are any further questions they may be asked.

The CHAIRMAN: We will continue with the CBC after that.

AFTERNOON SESSION

THURSDAY, May 19, 1955.

3:30 p.m.

The CHAIRMAN: Order, gentlemen, I see that we have a quorum. Mr. Browne has something to communicate to the members of the committee pertaining to the motion moved by Mr. Weaver and seconded by Mr. Goode.

Mr. G. C. W. Browne, Controller, Telecommunications Division, Department of Transport, recalled.

The WITNESS: Mr. Chairman, as directed by you I have, during the recess period, consulted with my minister in regard to furnishing to the committee the particulars relating to A and B contours of the television stations, and I am directed to say that the department will have no objection in furnishing that information to the committee.

Mr. WEAVER: Thank you. That will be quite satisfactory.

The CHAIRMAN: Thank you. Does the motion of Mr. Weaver carry?
Carried.

Mr. BOISVERT: This morning I asked a question about the ownership of private stations. I wonder if we could get that information? If so, I would be very glad. I see in the minutes of proceedings for 1951 that we were supplied with a list of the owners of private stations.

Mr. KNIGHT: Mr. Coldwell asked for it.

Mr. BOISVERT: Yes, Mr. Coldwell asked for it, and we got the information.

The CHAIRMAN: What page of the minutes was it?

Mr. BOISVERT: It is to be found in the minutes of December 6, 1951.

The CHAIRMAN: Is it given as an appendix?

Mr. BOISVERT: As an appendix, at page 375. I wonder if the department is willing to give that information? If so, I think it would be of public interest to know the trend of ownership of private stations in Canada today.

The CHAIRMAN: Would you want to ask questions on that list, of Mr. Browne?

Mr. BOISVERT: No, I would just like to have the names of the owners of private stations both for sound broadcasting as well as television stations.

Mr. FLEMING: Is that different from the names of the licensees which you already have in this booklet?

Mr. BOISVERT: Yes.

Mr. FLEMING: This booklet has already given us the names of the licensees with their addresses and the names of the stations.

Mr. KNIGHT: I think Mr. Boisvert asked for the names of the directors, did he not?

Hon. Mr. McCANN: That mostly gives the trading names.

Mr. GOODE: The owners names might be slightly different.

Mr. BOISVERT: I would ask also for the directors, but I do not think that the department is in a position to give the names of the directors of a corporation, when a private station is owned by a corporation. Would it be possible for us to get that information?

The CHAIRMAN: It is on page 4 of the blue book which you have, Mr. Fleming. That is where the list starts.

Mr. FLEMING: Yes. I wondered if Mr. Boisvert wants anything in addition to this list?

The CHAIRMAN: Do you want something in addition to that list, Mr. Boisvert? I think you will find all you need in that list.

Mr. GOODE: It could be that Mr. Boisvert is speaking about what happened in regard to Mr. Fleming's question about the television applications pending. The name is given in behalf of a North Bay station, yet it is in behalf of a company, and I wondered if you wanted that additional information.

The WITNESS: Mr. Chairman, perhaps I might interject to say that it is customary for applicants to word their applications in that way initially because they frequently do not organize the company until they know that a licence is going to be granted. The licence itself is never issued until the company is organized, and in fact the licence can be granted only to a Canadian citizen, a British subject, or a company properly incorporated under either a Dominion or a provincial charter.

Mr. FLEMING: Would you please clear up one thing for me: would the list of owners of these stations differ from the list of licensees of these stations which we have already before us in this booklet which you furnished us, or is it the same?

The WITNESS: It must be the same in accordance with the regulations, but I think what Mr. Boisvert would like to obtain is a list of the names of the directors of the company where the licensee is a company. I would be glad to take that up in the department just as I did the case of the question about contours.

Mr. GOODE: In regard to the contour map, when will it be available to the committee? There may be some questions on it to the C.B.C. and I wonder when we might have it.

The WITNESS: I think it will be available early next week. That is about the best we can do.

The CHAIRMAN: Thank you, Mr. Browne. Are there any other questions from Mr. Browne?

Mr. GOODE: I expect that this will be the last time that we will be seeing Mr. Browne before this committee. I understand that he is to leave the service in a short time. Some of us have heard Mr. Browne and questioned him in other years. May I say to you, sir, that I know of no one who has extended more courtesy to this committee than has Mr. Browne. His questioning has been difficult at times, but he has always answered like a good civil servant should. I am quite sure that I am speaking for the committee when I say that I hope that the holiday which Mr. Browne is going to enjoy will, first, carry with it a lot of happiness, and second; that he will settle in Burnaby-Richmond.

Mr. BOISVERT: I would second what Mr. Goode has just said.

Mr. KNIGHT: With some reservations in respect to the last part, I would like to be associated with that expression of good wishes by Mr. Goode.

Mr. FLEMING: Mr. Browne has appeared before this committee a great many times over the years and I think we will all miss him in future years. He has always been most cooperative and efficient and we all join in wishing him happiness and well-earned enjoyment of his retirement.

Mr. BOISVERT: I think we should also pay a compliment to Mr. Smith and the other members of the Department of Transport who have appeared before this committee to advise us. They all deserve an expression of our warmest appreciation.

The CHAIRMAN: Does the committee agree?
Agreed.

Mr. FLEMING: Perhaps we should include Mr. Boisvert in that too.

The WITNESS: I thank the members of the committee through you, Mr. Chairman, for the kind expressions tendered to me. It is very nice to have a remembrance of this kind to take away with me. Thank you.

I am afraid that I cannot get away from you yet until I furnish this return to Mr. Fleming. Unfortunately, as in the case of the return which I handed in this morning, it has not been possible to mimeograph it. It was not completed until just shortly before we left for this meeting; but I have here a statement similar to the one furnished this morning to Mr. Fleming which deals with the pending sound station applications.

Mr. FLEMING: Yes.

The WITNESS: There are, in the case of one, if I may go quickly through them—

By Mr. Fleming:

Q. How many are there?—A. There are nine. I think you selected the Ontario ones this morning.

Q. No.—A. There are four in this list which are at various stages of progress; and in their treatment, one has been deferred by the C.B.C. for further studies; there are some others; there are five under technical study by the department, and there are three which have been recommended by the C.B.C. for licences at the last meeting of the Board of Governors and they are in process of being dealt with.

Q. Perhaps we might have this list placed on the record.

The CHAIRMAN: Is it agreed to put the list on the record?

Agreed.

ENQUIRY BY MR. FLEMING
RADIO TELEVISION APPLICATIONS PENDING

Name	Place	Power (Watts)	Frequency (KC/S)	Date of Application	Date Received	Remarks
Phillip Bodnoff.....	Weyburn, Sask	250	1,340	March 7, 1955	March 9, 1955	Deferred for further study by C.B.C.
F. Vincent Regan (on behalf of a company to be incorporated).....	London, Ont.....	5,000	1,290	May 11, 1955	May 13, 1955	Under technical study.
West Newfoundland Broadcasters Ltd.....	Corner Brood, Nfld.....	1,000	560	May 11, 1955	May 12, 1955	Under technical study.
Swift Current Broadcasting Co. Ltd.....	Swift Current, Sask.....	250	1,400	May 10, 1955	May 11, 1955	Under technical study.
Frontier City Broadcasting Co. Ltd.....	Swift Current, Sask.....	250	1,400	May 9, 1955	May 10, 1955	Under technical study.
John William Pollie (on behalf of a company to be incorporated).....	Smiths Falls, Ont.....	250	1,070	March 3, 1955	March 7, 1955	Recommended for licence. Further action pending.
Jean Lalonde.....	St. Jerome, Que.....	1,000	900	March 4, 1955	March 7, 1955	Recommended for licence. Further action pending.
Greg-May Broadcasting Ltd.....	Lindsay, Ont.....	1,000	910	Feb. 28, 1955	March 1, 1955	Recommended for licence. Further action pending.
S. R. Paisley (on behalf of a company to be incorporated).....	Cobourg, Ont.....	250	1,240	May 16, 1955	May 17, 1955	Under technical study.

Thank you, Mr. Browne. I thank you very much Mr. Browne and your officials for coming here and giving us all the information that we needed.

The WITNESS: I shall relate that to my colleagues who are not with me this afternoon.

The CHAIRMAN: Thank you very much. We shall now continue with the C.B.C. and call Mr. Dunton and all the witnesses, such as Mr. Ouimet and the other officials of the C.B.C.

Mr. A. Davidson Dunton, Chairman, Board of Governors, Canadian Broadcasting Corporation, called:

The CHAIRMAN: Have you any questions to ask of Mr. Dunton, gentlemen?

The WITNESS: We have prepared some breakdowns of expenditures by objects for the fiscal years 1953-54 and 1952-53 as requested by Mr. Monteith. These were handed to the clerk of the committee yesterday, and I presume they have been circulated to the committee.

The CHAIRMAN: Do you want them placed on the record, Mr. Fleming?

Mr. FLEMING: I think they will have to be placed on the record because there will be questions asked on these items.

The CHAIRMAN: Would it be agreeable to have them inserted as an appendix, because they are rather long to go into the record at this point?

Mr. FLEMING: Whatever you think.

The CHAIRMAN: Does the committee agree?

Some Hon. MEMBERS: Agreed.

The WITNESS: Mr. Chairman, we were requested to produce the amounts of legal fees and to whom they were paid for this two-year period, and we now have those available.

Mr. FLEMING: Could we have the statements concerning the legal fees placed on the record at this point?

The CHAIRMAN: Does the committee agree?

Some Hon. MEMBERS: Agreed.

CANADIAN BROADCASTING CORPORATION
STATEMENT OF LEGAL FEES
FOR THE YEAR ENDED MARCH 31ST, 1953

Name	Amount
Louis H. Carreau, Q.C.	\$ 336.00
D. W. K. Dawe, Q.C.	23.00
Friel & Friel	1,673.05
Jennings & Clute	90.00
Maitland, Hutcheson	32.00
McMillan, Binch, Wilkinson, Stewart, Berry & Wright ..	11,632.57
John J. Robinette, Q.C.	3,126.13
Arthur W. Smith	13.00
P. L. Young	182.80
Milner, Steer, etc.	400.00
Claude Prevost	102.00

CANADIAN BROADCASTING CORPORATION
STATEMENT OF LEGAL FEES
FOR THE YEAR ENDED MARCH 31ST, 1954

Name	Amount
Beaulieu, Gouin, Bourdon, Beaulieu & Casgrain	\$ 69.00
Scarth & Honeyman	183.00
Hutcheson, Maitland & Legg	47.00
John J. Robinette	5,609.02
Wright & McTaggart	2,127.06
Seymour Elkin	207.00
Brais, Campbell, Mercier & Leduc	753.45
N. E. Sheppard	3,620.00
A. W. Smith	15.00

By Mr. Fleming:

Q. On the statement for the year ending March 31, 1953, I notice that the sum of \$11,632.57 went to a particular law firm. What was the nature of the services rendered there?—A. There were various services, but the main work was in connection with two different sitting in the one year of the copyright appeal board. It happened because of the way the dates, went, that there were two separate fees for legal services in connection with two separate hearings, one in 1951-52 and in 1952-53 and they came in the same payment year.

Q. This is the second part of the bill for the appearances before the Copyright Appeal Board?—A. Yes. As I say, by chance the way the dates fell—I think the board changed the time of the year at which it sat about that time—and it happened that two years fell in this one payment year.

Q. The next item of \$3,126.13—what was the nature of the services?—A. Practically all in connection with various labour negotiations and questions of certification.

Q. And in the next year the fee of \$5,609.02?—A. Again it is for the same thing.

Mr. RICHARDSON: May I ask a question? In respect to these three firms, where are they located?

Mr. FLEMING: In Toronto.

The WITNESS: The John J. Robinette firm is located in Toronto, of course. McMillan-Binch and Company is located in Toronto. There have been just two firms mentioned so far, I think.

By Mr. Fleming:

Q. Coming now to the next item—I am just picking out the larger ones—\$2,127.06—what was the nature of those services?—A. That again was on item in connection with copyright, one in connection with a royal commission on copyright and one in connection with a lease in Toronto.

Q. And the item of \$3,620?—A. I really think that is included in error—it goes in under the coding. Professor Sheppard is not a lawyer actually; I think he is an actuary and he advised us on the pension plan.

Q. He is of Toronto?—A. Yes.

Q. He is an actuarial consultant?—A. Yes.

Mr. RICHARDSON: I will now ask the same question; all these firms are located in Toronto?

The WITNESS: Yes, so far.

By Mr. Fleming:

Q. With regard to the sum of \$11,632.57, what was the balance or shall we say the first part of the fee for which that item was the second part, Mr. Dunton?—A. As I said, the payment of \$11,632.57 was made to one firm and that included payments among other things for two years work.

Q. I am sorry, I misunderstood you. I thought this was the second part of a fee. It is the total fee for services rendered over periods that extended into both fiscal years?—A. Yes, and both times for hearings fell in this year.

Q. Does the C.B.C. ever consult the Department of Justice for legal advice?—A. Yes, particularly on matters constitutional or matters relating to interpretations of law in a particular way, and quite a number of things.

Q. Are these consultations frequent?—A. Fairly frequent.

Q. In the selection of solicitors to advise on any matter or counsel to appear on behalf of the board of governors, is the Department of Justice consulted for its views on selection?—A. Quite often, but we are not bound to consult them as government departments are, I believe. In a number of cases they have been consulted, but on the other hand the corporation makes its own decisions about counsel for this sort of work.

Hon. Mr. McCANN: Are they taxed or submitted to the Department of Justice before they are paid?

The WITNESS: Very often, but not always.

By Mr. Fleming:

Q. In what proportion of the cases laid before us in these two statements would you say those selected were recommended by the Department of Justice at your request?—A. All the one you have mentioned were of our own selection—the decision of the corporation.

Q. Are there any cases where after you asked the Department of Justice for a recommendation you departed from it?—A. I do not think so. As you see, we made our own decisions in these major cases. As you will realize, a lot of our work is quite specialized—work represented by the bigger items such as copyright work or labour relations work.

By Mr. Goode:

Q. Are all these firms eastern firms?—A. I think Mr. Dawe's firm is located in the far east—Newfoundland.

Q. Is there a western firm in there at all?

Mr. HOLOWACH: I believe the firm of Milner—Steer is located in Edmonton.

The WITNESS: Yes, it is in Edmonton.

By Mr. Goode:

Q. Is there any legal work done, Mr. Dunton, in regard to the acquisition of property for studios and was any legal work done in regard to the Vancouver C.B.U.T. antennae location?—A. If it does not appear on this list, it would have been done by our own people. Some simple things are done on the advice of our own management.

Q. Could I have an answer to the question I asked: was legal counsel engaged in connection with that work in Vancouver?

Mr. OUMET: We will have to check in order to answer your question.

Mr. GOODE: You know what I am getting at. If you did engage legal counsel, was it engaged in eastern Canada or in Vancouver?

Mr. OUMET: It is perfectly clear to me.

The CHAIRMAN: Are there any other questions on these documents? Have you any questions on the other documents, Mr. Fleming?

Mr. FLEMING: Yes, but we have not come to them yet. We are still on income on page 48, and the other sheets distributed concerned a breakdown of expenses. Perhaps we could leave the questions on the other documents.

By Mr. Monteith:

Q. I think I asked a question last week concerning how the cost of \$51 per hour for studios was arrived at. I thought you might like to clean up these odds and ends, Mr. Chairman.—A. That information is not quite ready. It takes consultation with the operating areas. Could it stand over?

The CHAIRMAN: Certainly.

Mr. MONTEITH: Are we now on income then, Mr. Chairman?

The CHAIRMAN: Yes.

By Mr. Monteith:

Q. I notice that in the year 1954 there is an item amounting to \$274,634.70 for licence fees. Just what type of licence fee is that? Is that received from independent stations? Are there any hangovers of the old \$2.50 fee? —A. It would be from the Department of Transport and anything they had collected. I am not sure whether or not we have a breakdown which shows of what it consists. I think most of it would be transmitter licence fees.

Q. The Department of Transport did all the collecting and simply remitted to the C.B.C. upon occasions all licence fees?—A. Yes.

Q. How often do they remit?—A. Formerly it was every month.

Q. That was when they collected the \$2.50?—A. Yes.

Q. How often do they remit now that they only collect the transmitter fee?—A. Quarterly.

Q. I think it was pointed out the other day, Mr. Chairman, that commercial broadcasting revenue dropped from \$2,513,000 odd in 1953 to \$2,471,000 odd in 1954 and it was intimated this was due to less sponsoring of programs which undoubtedly had gone to TV sponsoring. Also I believe Mr. Dunton intimated that he was probably expecting a further decrease. Now I notice jumping from income to expenditure that there are a lot of increases in the various items which go into what I would think would be production of programs. I was wondering if he had any idea as to whether that increase is going to keep up with falling revenue from sponsorship or just what the thought is? I am thinking of artists' fees, the first item on the expenditures sheet.—A. I thought I covered that the other day. I will go at it again. We are trying to run a national service all across the country. One item of revenue for that is commercial broadcasting, but it is only one item. We naturally take that into consideration in making any decisions about operations and we also have to take into consideration all the other factors about need for service. In this year, 1952-53 to 1953-54, we were still as a matter of policy doing some development on sound service, some improvements of the programs and extension of coverage and facilities which I have mentioned before; but apart from those extensions the major part in the increase in expenditures came from increases in cost rates to the corporation, the fees having been increased and salaries and wage rates arising from collective bargaining. During the past year expenditures will go up again chiefly due to increased cost rates because we have done comparatively little development work. As I said, looking ahead it depends on how the general financial situation will be in sound broadcasting. At the present point, as I mentioned several times, we are not

actually planning or deciding on further extensions or developments in a general way to the sound service because the general outlook as far as we can foresee is for less revenue.

Q. I notice artists' fees are up \$250,000 which is roughly 10 per cent over the 1953 figure. That increase would be due to an increase in artists' fees. It is not a broadening of the system; it is probably the same number of artists, but the costs to you are higher because those artists' fees are up 10 per cent?—A. There was some increase, but we were at that stage just following the Massey Commission and following a certain easing or clarification of sound service revenues doing some further development. There was some further development of children's and women's programs in the afternoon, particularly Trans-Canada Matinee, and we started some fishery broadcasts that were asked for for a long time, and a few other things where the program service had been weak. That was still going on in this period.

Q. You do not anticipate any further development in that respect?—A. We have no plans for anything of any size now although we know a number of things would be desirable; we do not have plans to extend program activities in the sound service. On the other hand as you have mentioned we may have to face increased rates. We will certainly have at least some inevitable increase in expenditures of a general nature in such things as normal increase in salaries, apart from any collective bargaining.

Q. This music item, item 113, is that paid to musicians?—A. Item 113 is purely the buying of sheet music.

Mr. DINSDALE: Would that include original compositions or music already commercially available?

The WITNESS: Both.

Mr. CARTER: Is there any other body in Canada that purchases artists' services on that scale?

The WITNESS: No.

Mr. CARTER: We have sort of a bargaining point there, have we not—volume?

The WITNESS: Well, perhaps you would like to talk to the union some time. We are by far the biggest employers of artistic talent of any kind in the country, by a very long way. I think the artists realize that but they stick to their point of view in negotiations.

Mr. CARTER: We might get a discount rate for the volume.

By Mr. Monteith:

Q. Is the item 115 "Manuscripts and Plays" for the straight purpose of copyright on that type of thing?—A. That would be the rights whatever they are. We almost always buy one-time Canadian broadcasting rights. It may happen to be the first time it is broadcast, or it may be a matter of buying the broadcast rights of a manuscript written outside of Canada, or it may be buying an adaptation.

Mr. RICHARDSON: In respect to item 121, why is there such a discrepancy between television and broadcasting in Press Service?

The WITNESS: In general it is because television, especially at this time, was not nearly as widely developed as sound broadcasting. As you know, in sound broadcasting we have a pretty full news service.

By Mr. Fleming:

Q. The trend has been for the expenditure on the television side to increase over the expenditure on sound broadcasting?—A. Quite naturally. As you know, that has grown since 1952.

Q. There was quite a wide gap in expenditure in the fiscal year ended March 31, 1953, because you were barely starting your television news service, and in the fiscal year ending March 31, 1954, the gap is reduced; it was about \$2 on sound broadcasting for every dollar on television. The gap in the fiscal year ending March 31, 1955, must have closed even more.—A. Yes. There is a difference. In television broadcasting after all the main thing is the picture and we have got to get most of them ourselves. In television a great deal of the expenditure for news goes into the getting of the pictures.

Q. Have you the 1955 figures available?—A. Not yet.

Mr. DINSDALE: What is included under "Press Service"?

The WITNESS: The payment to Canadian Press, British United Press and any other written news service which we buy. The big news agencies supply us with regular service at various points if we need it.

Mr. DINSDALE: You use B.U.P. and Canadian Press mainly?

The WITNESS: And we get some service from Reuters and we have used Agence-France-Presse.

Mr. FLEMING: Are all those amounts paid over to the news agencies?

The WITNESS: Yes.

Mr. BOISVERT: Have you got a press information service of your own?

The WITNESS: Yes. That was the division on which we supplied quite a complete separate breakdown. It is an information division which does all sorts of functions inside the corporation and for the corporation. It has nothing to do with news as such. It is either circulating information in the corporation or giving it to the public.

By Mr. Fleming:

Q. Mr. Dunton, I hope we understood each other on my last question. I was asking about item 121, expenditures for Press Service, \$154,000 on television and \$73,000 on sound. And I asked you if those amounts were all paid over to those news agencies.—A. Yes.

Q. You understand my question?—A. Yes. I am sorry—in that year there would have been included under this heading some payments to freelance cameramen giving us film for the purpose of television.

Q. That was my point.—A. I am sorry.

Q. Can you give us the breakdown?—A. Could we come back to it later?

By Mr. Monteith:

Q. Mr. Chairman, I am not too familiar with how these performing rights work. Could Mr. Dunton give us a brief outline?—A. The performing rights is item 117 and would be almost entirely, I think, rights paid to the major performing rights organizations, mostly under decisions of the copyright appeal board. CAPAC, BMI, are the chief two and any others we had to pay in addition.

Q. On items 131 up to 134 covering blank discs, records, tapes, and tape records, how are those tapes and discs handled? When you purchase blanks is there a record kept of them in the inventory and when do they go in as an expense; when you buy them or when you use them or what?

Mr. BRAMAH: They charge it to stores first and then as they are used they are charged out to the particular expense.

Mr. MONTEITH: Is there an inventory in the balance sheet at all?

Mr. BRAMAH: The inventory figures are shown on the balance sheet, yes.

The WITNESS: I think you were asking about expendable stores the other day.

Mr. MONTEITH: They were the expendable stores, were they? I notice there is a big item in recording tapes.

The WITNESS: I think the charges in several of these items, between 131 and 134, relate to technical developments; development in the use of tape recording as against acetate type discs. You will notice expenditure on recording discs goes down while expenditure on tapes is rising.

By Mr. Fleming:

Q. I have a question about items 141 and 143, "Film Stock" and "Film Processing". I would like to refer to your facilities in Toronto, Mr. Dunton, and the conditions under which some of your employees are engaged in the film processing. They are cramped I am informed and the employees are working not only under disagreeable conditions but also under extremely unhealthy conditions. They are working with gas fumes there and I am told several of your employees have suffered ill health in consequence. I know of one case where the employee went to her doctor after having some bronchial trouble and when he inquired as to the conditions under which she was working it was a shock to him. Maybe this is something which you are trying to correct, but I would like to express the hope that no time will be lost about it. My information is that these people should not be working under the conditions under which they are working.

The WITNESS: This is an example of where expenditures have to increase. Space has not been enough for the department as it has been developing and new space has to be found and fixed up for them.

Mr. FLEMING: Nobody is going to question expenditures which give people proper working conditions, and it is my opinion that these are conditions under which people should not be asked to work.

Mr. OUMET: Arrangements have been made for providing more adequate quarters for this group which has been a growing service and we have just not been able to keep up with the load. On the other hand, we have had inspectors in from the Department of Health to make sure there was no danger to health and we have been assured there would not be. In any case we are providing more commodious quarters than we have at the present time, and they should be ready very soon—they will be ready on June 1st.

Mr. FLEMING: I am glad to hear that. It is none too soon in the light of the description I have been given of these conditions today.

Mr. MONTEITH: I do not know whether anybody has anything to ask concerning items up to 151...

By Mr. Dinsdale:

Q. On item 146, Mr. Dunton, is it possible to indicate what proportion of this expenditure on wardrobes is for the rental of wardrobes?—A. That would need checking. We could find it out but it would take a little time. I might say that in general a great many costumes are rented. To give the separate totals would involve going back over the items to see what proportion has been rented and what has been paid for material.

Q. What rental services are there?

Mr. OUMET: Malabar in Toronto, and Ponton in Montreal.

The WITNESS: I think Malabar have had nearly a monopoly so far in Toronto.

Mr. OUMET: I am told that Malabar has a branch in Montreal and a branch in Vancouver also.

An Hon. MEMBER: And in Winnipeg?

Mr. OUMET: And in Winnipeg.

Mr. GOODE: At least we are getting Vancouver in somewhere

Mr. MONTEITH: On item 151, Mr. Chairman I see the item is headed "Local Loops". What is meant by that?

Mr. OUIMET: A "Local Loop" is a circuit used for the transmission of a program from a remote location to the studio. A program would be produced, say in a hotel or in a hall remote from the studio, and it would be necessary to feed that program between the outside location and the studio, and the connecting link is the "local loop".

Mr. MONTEITH: And is this the cost of wiring and all that sort of thing?

Mr. OUIMET: No. It is the cost of renting the transmission circuit from a communication company.

Mr. MONTEITH: I see, Bell, Telephones.

Mr. OUIMET: Bell Telephones, or the Railway Telegraph companies.

Mr. MONTEITH: And "Studio to Transmitter Circuits"—what does that mean?

Mr. OUIMET: The circuit which connects the studio to the transmitters which are usually located some distance—perhaps 25 or 30 miles—away from the studio.

Mr. MONTEITH: And does this item also represent a payment to the communication companies?

Mr. OUIMET: It is also the rental paid to communication companies.

Mr. MONTEITH: "Station Charges"—what would that be?

The WITNESS: Almost entirely payments to private stations for originating work done for us. Not our own stations. When a private station provides a program which is taken on the network we make a payment towards covering the expense in connection with the program.

By Mr. Monteith:

Q. "Cleaning Contracts"—I presume that is for janitors and so on?—
A. Yes.

Q. "Automobile expense"—what is your procedure in connection with this? Do you own any automobiles?

Mr. OUIMET: Yes. We own a number of automobiles at various points across the country, and this item, No. 291, covers the operating and maintenance charges of those automobiles.

Mr. MONTEITH: They are just commercial vehicles?

Mr. OUIMET: They are trucks; in certain cases station wagons. In certain cases, too, we may use passenger type cars, but we have all types depending on our needs. In television for example we have some fairly large trucks to carry bulky scenery; for field strength services we use a passenger type of car fitted with equipment, and then we have mobile units.

Mr. MONTEITH: This amount does not seem very much in relation to all this automotive equipment. How many vehicles have you got represented here?

Mr. OUIMET: Forty-seven. Some of our vehicles are specialized cars, which might not cover much mileage in a year but which are built specially for the purpose for which we need them—equipped cars such as mobile units for example.

Mr. MONTEITH: If you brought a mobile unit up here from Toronto for the opening of parliament for instance what would be charged to automobile expense in respect of that? Gas and oil, and repairs to the vehicle itself?

Mr. OUIMET: Gas, oil, and also the maintenance of the vehicle itself but not of the equipment carried in the vehicle.

Mr. RICHARD (*Ottawa East*): Have you not got your own mobile unit in Ottawa?

Mr. OUIMET: We have our own mobile unit in Ottawa. We generally do not move these mobile units from city to city if we can help it, but sometimes we do.

Mr. MONTEITH: You have 47 vehicles and the expenditure here is roughly \$11,000, which is something under \$300 for each vehicle . . .

Mr. OUIMET: May I point out that I have given you the number of vehicles today. We are dealing now with the situation two years ago and I should have to check in order to find out how many vehicles we have acquired in these two years.

Mr. MONTEITH: The number has increased considerably?

Mr. OUIMET: For use in television. The number has increased considerably.

Mr. FLEMING: Item 314. Printing of schedules, publications etc. In the fiscal year ending March 31, 1953 the figure was roughly \$100,000; in 1954 it was roughly \$120,000. I presume it is under this item that we have the cost of the *C.B.C. Times* which we were discussing at the last meeting?—A. Yes. It is the same figure. The committee has already been given the breakdown.

Mr. FLEMING: Is there anything in addition to the *C.B.C. Times* under Publications?—A. Yes. As we explained at the time there are quite a number of pamphlets and things related to programs which are also covered in this amount—things like the annual report and any other publication that has been put out—for instance Radio Magazine which is a staff magazine.

Mr. FLEMING: My next question is on Honoraria, item 413. What are Honoraria?—A. One item is fees to members of the Board of Governors, and there may be some other small fees—fees which are not properly performers' fees but which are Honoraria paid to people—not salaries, and not performers' fees.

Mr. FLEMING: What would that group consist of?

Mr. OUIMET: People, for instance, who write articles for the staff magazine—*Radio Magazine*. They get a small fee. Then there are judges for programs—judges of talent programs, for instance. They do not get a fee for performing, but they receive a fee for judging.

Mr. FLEMING: Item 414—Professional fees and legal expense. Are there any other items in addition to those which you have mentioned this afternoon with regard to legal expenses, which make up this total? What other professional fees are there?—A. There may be some small payments for such things as the special inspection of towers, for which professional engineering services have to be given, but these totals are very close to what we gave you with regard to lawyers' fees. Doctors' fees for examining members of the staff would come under this item.

Mr. FLEMING: Item 421—travelling expenses. We have already had some discussion about travelling expenses and I do not want to repeat that. The figure in the year ended March 31 1953 was roughly \$211,000; the next year in round figures it had jumped to about \$313,000 accounted for in part by television but not entirely. Your expenditure for travelling expenses with regard to sound broadcasting is up by over \$50,000.—A. As we explained the other day this heading should really be "sound broadcasting and common services". There would be some additional expenses incurred and additional travelling by general management officials arising from television and the need for increased consultation. In addition, in that particular year there was

a considerable development in actuality broadcasting, which would mean more program operating travel in respect, for instance, to such things as the coronation.

Mr. FLEMING: But not with respect to the Empire Games. That is in the next fiscal year?—A. In addition as a matter of policy we are trying to do more actuality broadcasting which means of course extra travelling.

Mr. FLEMING: Can you say a word about items 425 and 426 together—Unemployment and Group Life Insurance Schemes, and Superannuation. What is the cover which you provide now for members of the staff?

Mr. OUIMET: I should like to ask Mr. Carter to reply to that question.

Mr. MARCEL CARTER (*Executive Assistant*): On superannuation the employees through the contributions they make buy 2 per cent annually for each year of service—2 per cent of their salary, and on group life insurance we have a scheme depending on the salary of the employee. The employee may buy as high as \$15,000 group life insurance. The experience has been so good that it costs absolutely nothing to the corporation in the last four or five years. In fact we have had a refund on contributions.

Mr. OUIMET: I should point out that under item 426 we have to pay nothing for group life insurance. That is where it would be charged but actually there is no charge for group life insurance. The cost is borne entirely by the staff.

Mr. FLEMING: I understand then that the payments shown here go entirely towards Unemployment Insurance?

The WITNESS: In case Mr. Carter did not make it quite clear, I might say that the corporation pays 6 per cent of salaries towards buying the 2 per cent pension.

Mr. FLEMING: I was not clear about what was said with regard to the 6 per cent. Do I understand that the employee contributes 2 per cent against the corporation's 6 per cent?

The WITNESS: The corporation matches the over-all contributions of the employee.

Mr. MARCEL CARTER: The employee contributes six per cent; he gets two per cent yearly pension credit and the corporation matches the overall contribution of the employee.

Mr. FLEMING: What is the retirement age?

Mr. MARCEL CARTER: Sixty-five.

Mr. FLEMING: Is it the same for men as for women?

Mr. MARCEL CARTER: For women it is sixty; but there are optional dates of retirement for employees who want to retire before that. A female may retire at fifty-five and a male may retire at sixty, but that is optional.

Mr. FLEMING: Does it embrace all the employees?

Mr. MARCEL CARTER: All employees on the regular establishment.

Mr. MONTEITH: What is item 428 for "Local Transportation" about? In 1953 it totaled some \$28,500; in 1954 it totaled \$51,600. What does that cover.

Mr. OUIMET: The difference between the two years is mainly due to the addition of television.

Mr. MONTEITH: But what does it cover?

Mr. OUIMET: It includes transportation locally in any particular city as distinct from transportation between cities, and in addition it includes transportation of technicians living some distance away from the transmitters. Our transmitters are generally located in areas remote from regular transportation,

and they work at hours which have no relationship to bus schedules or train schedules; so we have to provide an allowance for transportation.

Mr. MONTEITH: Would there be any automobile expenses charged in there, or is there an allowance to individuals for the use of their own automobiles and taxis?

Mr. OUMET: In the case of transportation of technicians, there is an allowance to the individual employee for the transportation which he has to take care of.

Mr. BOISVERT: What is the rate of the allowance?

Mr. OUMET: It is seven cents a mile.

Mr. GOODE: Can you get away with seven cents a mile? I think you have got some collective bargaining to do before very long on that one.

Mr. OUMET: May I answer Mr. Goode's remarks by saying that it is a contribution towards their transportation. It is not intended to cover the whole thing.

Mr. GOODE: You are not paying it all because you could not run a car on seven cents a mile.

Mr. DINSDALE: Item 427, "Staff Courses"; in both years the amount reported is very small. What kind of activity does that cover?

Mr. OUMET: Actually we have an arrangement with certain educational institutions to provide courses to our employees at reduced rates because of the bulk volume which is involved, and we give a small discount which we pay ourselves when the employee successfully completes the course. It is not very big and the number of employees who complete the course is not very large, so the amount is not very high.

Mr. DINSDALE: It does not include the training of your TV technicians?

Mr. OUMET: No. That would not be in there. That is done by instructors on our regular payroll, and their salaries are charged to the salary payroll. It is "on-the-job" training in the studios.

Mr. FLEMING: Item 431 "Donations and Prizes"; what type of donation comes under that?

Mr. OUMET: These are prizes and donations mainly on broadcasts.

Mr. FLEMING: I can understand prizes on the programs and that sort of thing, but I was wondering about the donations. What type of donation does the corporation make?

The WITNESS: These are ledger headings, and there are not necessarily expenditures under any heading, or which relate to the label which the accountants have on the heading. We do not give charitable donations or that sort of thing.

Mr. FLEMING: Is there anything which would come under the heading of donations which in the strict sense of the word would not be properly classified as prizes in relation to programs?

Mr. OUMET: We contribute \$1 per employee for social and recreational activities per year.

Mr. FLEMING: That is the only donation which the corporation makes?

Mr. OUMET: As a donation, yes.

By Mr. Holowach:

Q. Does the C.B.C. as a corporation sponsor or make available any form of musical scholarship to musical talent?—A. They are made on the program "Nos Futures Étoiles". There is the equivalent to it, "Singing Stars of Tomorrow", which is a sponsored program.

Q. You have no scholarships as such which the corporation gives to young artists?—A. No plan or scholarship scheme, no.

Q. Do you not think that there is merit in considering the advisability of making available a scholarship in view of your contact with live talent in this country?—A. We have thought of it, but we feel that our main job is broadcasting and we try to use our money to the best advantage on broadcasting. We do try to help talent, as we undoubtedly do, by giving them an actual chance to appear on broadcasts and being paid for it. The subject has come up again recently and it may be possible to develop some form or combination of broadcast plus either scholarships or prizes. But our main work with talent is on the air in one form or another.

Mr. BOISVERT: Do you give any prizes to the artists who are taking part in the program "Nos Futures Étoiles", which is a French program?

The WITNESS: Yes, the winners get prizes.

Mr. DINSDALE: With respect to item 429 "Meal Allowance", in 1952 there was no expenditure, but in 1953-54 there was an expenditure of \$10,000, and \$28,122.67.

Mr. OUMET: This is due to the change in coding. The meal allowances in 1952-53 were included in item 439, "Incidentals", and in 1953-54 they were coded separately. This includes meal allowances provided for under our present agreement with the unions, in cases where we keep the employees after the hours which are stipulated in the contract; and it also includes the meals which the corporation pays for in the case of non-union employees who have to work overtime at night, in which case we give them an allowance for their dinner.

The WITNESS: There has been quite a lot of that in the treasury department lately.

Mr. DINSDALE: They are looking very well!

By Mr. Richardson:

Q. These sheets indicate a total expenditure of about \$34 million. I think every member of the committee might go on and indicate some observation or ask a question in respect to every item; but I would like to ask either Mr. Dunton or Mr. Ouimet this broad general question: out of the expenditure of \$34 million, there is bound to be some inefficiency and some waste, since human beings are running the organization. What, in the opinion of the chairman, is the percentage or the amount of waste or inefficiency which has occurred in respect to this total here, and having answered that, what policy of control does the board have in respect to future and current expenditures?—A. First, speaking from the point of view of the board, as a board we watch our management pretty carefully and as thoroughly as probably this committee watches the whole corporation, to see that the money is being well spent. Controls are carefully maintained and that sort of thing, and we believe that our management has done an extremely good job in using the money well. I could not put a percentage on any waste, because if I knew of any, we would—that is, our management would clean it up quickly. I am not saying that everything is perfect. It naturally could not be; but our management has a complicated system of checking and control. We carry out checks and rechecks to improve our procedures, and if anything is found out of line it is corrected very quickly.

In Television this has been an enormously vast development, the quickest of any country in the world; and I think our management has done a stupendous job in building up that organization. But again, there might be some things

which could be tightened down, and as there is time to draw breath a little more, the checking process will be going on and any inefficiencies found will be checked up.

When you come to the mechanics of it, it is perfectly easy to spend more money in checking than you can possibly save. We try to be reasonable about these things.

Mr. BOISVERT: Could we say that with television coming into the picture, broadcasting is becoming more and more technical and that it is very hard to keep pace with the technical development of broadcasting and television, and so it is very hard for a corporation as large as the C.B.C. not to have any waste somewhere at sometime; but that the corporation is taking great care to correct any situation where it might occur?

The WITNESS: Yes, I agree with that. It is certainly true that steps are constantly being taken to check in an endeavour to find if there are any slips, and if anything can be improved.

By Mr. Goode:

Q. Well, while we are giving you leading questions—and I am sure you welcomed Mr. Richardson's—I wonder if I could give you one or two. What would be the attitude of the C.B.C. towards the appointment of some type of commission set up to investigate the operation of radio and television in Canada?—A. Mr. Goode, during the last nine and a half years that I can personally remember we have spent I do not know what percentage of our time giving information to parliamentary committees or commissions, and we would be glad to keep on providing anything that is asked of us which we can provide.

Q. The commission could expect full cooperation from you?—A. Surely; to the limit of our strength we will keep on giving information.

By Mr. Fleming:

Q. I have a question which might be related to that and I think in fairness to you, Mr. Dunton, I should tell you—in case you were not aware—that this afternoon I asked a couple of questions of the Prime Minister in the House. The first was as to whether the government is contemplating the appointment of a royal commission to review the basis on which radio broadcasting in Canada is regulated and controlled, and, second, whether the government is contemplating any modification or revision of this so-called single service coverage—a euphonious title to which I cannot get used—I find it easier to say the policy of local monopoly.

Now, Mr. Dunton, I am not going to ask you about whether you would cooperate if a royal commission was appointed—I know you have always cooperated, and it can be taken for granted. But if arising out of the recommendations of such a commission there did emerge a change in the policy of the single service coverage how would it affect your expenses in the first place?—A. And if stations were licensed in areas where there are existing stations?

Q. Yes, how would it affect your expenses in the first place?—A. There would be an upward pressure on our expenses, I imagine—simply trying to do a better and better job.

Q. You mean the effect of local competition?—A. Yes, other services available in that area—would tend, I would think, to make us at least want to spend more money, but whether or not it would actually have that result it is impossible to say.—Q. In fairness, I do not follow you on that, Mr. Dunton. I am going to ask you about revenues because I can understand that you might have some observation about the effect of local competition on your stations revenues.—A. I would not like to over-emphasize it on the expenditure

side, but I said I thought it would be a tendency. There might easily arise a difficulty in obtaining rights for films or events or something like that and we might tend to want to put more money into our Canadian-produced programs to meet the added pressure of the imported material in the same area, but as I say it is not a thing to be sure of. I think the pressure would be there, but it is not one that could be measured.

Q. Your answer surprises me a little, Mr. Dunton, because I would have thought—I am simply making the statement in order that you might make your observation on it—if you say that it would not affect expenses.—A. I presume you are thinking of these stations as operating without any C.B.C. programs. If, of course, we were to try and feed them with some C.B.C. produced programs or other programs which we would have to try and distribute, there would of course be a very significant and direct pressure on our expenditures.

Q. I do not suppose a station operating in the same general locality as one of your transmitting stations would be carrying your programs. It would be hardly reasonable to duplicate the same program in the same area.—A. I think there might be a little confusion there. I think it was Mr. Goode who said if there were duplicate stations that they could be fed C.B.C. programs and I quite agree with you that it would not make good sense to feed them programs already on transmitters in the same area.

Mr. GOODE: That was not the idea. You feed some private broadcasting stations now with C.B.C. material, and that was my point. I said I did not think you would have the same program on a private station in Vancouver at the same time you were putting it over CBUT. That certainly was not in my mind. However, you do it in sound broadcasting so why not in television?

The WITNESS: Perhaps that is a point we should clear up. In sound broadcasting we have been able to afford so far to have alternate network broadcasting all over the country, but if we try to do the same—feed a second station in the same area with a Canadian-produced television program—of course there is an additional expense.

Mr. KNIGHT: With great respect we are dealing with a hypothetical situation. I think we should perhaps deal with the facts. This discussion is very interesting, but I am sure we could continue for two or three days discussing a hypothetical situation.

By Mr. Goode:

Q. But I think it is a most practical question, because it has come to the point where I really think there are two private broadcasters. If I understand it correctly, there is not too much charge, if any, in some cases where C.B.C.-produced programs of some type—are provided to private sound broadcasting stations. I think I am right, am I not?—A. Yes.

Q. Why should the C.B.C. produce programs and provide them to private stations at no cost or very little cost? To my mind, that is where you are losing a lot of money. You have told me in this committee that you are proposing to build a microwave network which will include Vancouver. I still cannot see how private stations properly put across that network cannot but lower your cost.—A. I think perhaps we are looking at two different things, Mr. Goode. As I understand it you are looking at the question of just one area and one or two or more stations in the area. Under our instructions from parliament we are constantly trying to build up a system across the country consisting of C.B.C. facilities and privately owned stations, and we reach the people in a great many areas of the country through private stations. If we were to try to reach the people of Calgary through a C.B.C. station it would

cost more. As it is, we reach them through the private station at Calgary, and it still costs a good deal, but we get quite a lot of national service to the public through that private station. In Vancouver we are reaching the people, and also producing programs there, through our own facilities. If there was an additional private station in Vancouver we could not put any of our existing programs on that station because they are already available to Vancouver and it would not make common sense. If a station were established let us say in Kamloops, it would make good sense to provide national service to that station to reach the people in that part of the country.

Q. You have told me that a private station could make—I think your words were “plenty of money.”—A. My words were that in Vancouver, Winnipeg, Toronto or Montreal I think a private station being perfectly free to get its programming material where it liked could make a lot of money.

Q. In C.A.B. in 1953 they were not afraid of financial considerations at all.—A. You noticed that my proviso is “completely free” and in my opinion they would make a profit if they had by far a greater proportion of the programming in the station coming from outside of Canada. That is how you make the money.

Q. How much of your programs come in from outside Canada?—A. In rough terms, 50 per cent. On the English side, the actual network service is more than 50 per cent Canadian produced. Each individual station tends to be under that. The French is over 80 per cent.

Q. About 50 per cent comes in from outside of Canada?—A. Yes. The network is more than 50 per cent Canadian and individual stations less than 50 per cent.

Q. You would consider that private station would have to use more than 50 per cent of imported programming to be able to operate?—A. In terms of really meaningful programming, that is in the peak hours and not just working up the percentage by broadcasting certain people at certain hours during the day, I think they would have a great deal of difficulty making money using 50 per cent of Canadian-produced programs. I do not think this necessarily happens—it would depend on how they worked it out.—I do know how the programmes would work.

Q. You have told us that roughly 50 per cent of the material used for Canadian stations is imported from other countries?—A. eYs.

By Mr. Fleming:

Q. You use the expression as I recall it, “operating under the policy approved by parliament” or “under the instructions of parliament”? Where do you find the single service coverage policy approved by parliament?—A. I made no reference to the single service coverage policy. I said, “under the direction of parliament.”

Q. You used the word “parliament”?—A. Yes, to build up a system—one system—right across the country. I said “a system.” I am not making a reference in that statement to any question of the number of stations, but we take our direction by reading the Act, and that instructs us to “carry on a national broadcasting system in Canada” and we are thinking all the time of the whole country, and not simply of one, two or three areas. We have always tried to see that in general in Canada there is at least a substantial amount of programming produced in the country and that it is distributed as equitably as possible right across the country.

Q. I want to be quite clear on this. You do not regard the single service coverage policy as one approved by parliament?—A. I was not referring to that.

Q. You do not understand it to be a policy approved by parliament?—A. I suggest that is between the government of the day and parliament.

Q. We know from the evidence we had this morning from Mr. Browne that the applicants for station licenses are reviewed in the application of that policy before they reach you, and it would only be a borderline case which would reach you for recommendation. I just want to be quite clear that you were not suggesting that this policy with the euphonious title, the single service coverage policy, had ever been approved by parliament, because I think it is quite clear and we have already had it several times in the evidence before this committee that it is simply a statement of government policy made in the House by Dr. McCann, and that is the whole basis of the policy.—A. In my reference I was not thinking of single service coverage policy at all.

Q. I wanted to be sure you were not under the misapprehension that the policy had ever been approved by parliament. A. That is out of my field—under the system of responsible government I do not know whether or not it has been.

Q. I wanted to be clear on it in case there was any suggestion that this policy had ever received formal parliamentary approval.

Mr. GOODE: I might point out to Mr. Fleming, if my memory serves me well, that there have been amendments from time to time when this matter of the C.B.C. has been considered in the House that have been voted down by a majority of parliament in regard to this policy. I think I can remember one and it might be a good idea for Mr. Fleming and I to look it up some time.

By Mr. Fleming:

Q. I think Mr. Goode might be thinking of something else. I do not think we would find anywhere the House of Commons passing in any formal manner upon the so-called single service coverage policy. It simply rests, as was made quite clear a day or two ago, on a statement of government policy made by the minister in the House—I think it was in December, 1952; that is the way it stands.

Well, Mr. Dunton, without pursuing this subject at excessive length, I just wanted to raise for your consideration the view in regard to competition in the situation I have put to you a few minutes ago—local competition. In your approach to the functions of the C.B.C. as an operating body in the field of television, do you not think there would be some advantage to it in having some local competition in areas where its present transmitting stations are located?—A. Competition in what sense? Competition in producing Canadian programs?

Q. Competition in operating in the field of television.—A. Operating a station?

Q. Yes, but not necessarily confining it to that. I mean the whole basis of competition.—A. You use competition in its widest sense.

Q. Yes.—A. That is what I was suggesting to Mr. Goode. We keep thinking of the whole Canadian system. If you think of the Toronto area, and one station competing against another station—as I said, if parliament wants us to compete just as another private station does, we will be glad to do it and we will make money for parliament doing so, but as it is, our objective is not to make money competing, but to try and operate a system right across the country with all the obligations it involves; so it is not two similar things competing.

Q. I know the difference you are drawing there, and no one is proposing to take away from you your national function, but do you not recognize that it would be of some advantage to you, and certainly in that way to the public, to have the benefits of competition in operations in these areas? We are not talking about a competitive service across Canada, and therefore as you pointed out, the competition is not complete. We recognize that; but can you not see

any benefit at all from such competition—and certainly there would be some—if there were other stations under other ownership operating in the metropolitan areas in which you are now operating your large television transmitting station that would not be carrying C.B.C. programs so the C.B.C. would not be which would undoubtedly develop. May I first ask if you are suggesting a station that would not be carrying C.B.C. programs so the C.B.C. would not be obliged to supply them with material?

Q. I cannot see any sense in having the same program carried on a station at the same time the C.B.C. is putting it on. It strikes me as being not sensible. You might have the odd case where a program was carried at a different time, but a straight duplication would have no sense to it at all, it seems to me.—A. I presume you mean a station operating individually with no particular obligations to carry Canadian programming or produce it.

Q. No. You are making an assumption there which I think has been a basic fallacy in a good deal of what has been said. You keep talking about the Canadian program content. I think you mean that programming of Canadian content is the exclusive prerogative of the C.B.C. I do not see that at all. Another station is just as capable of producing Canadian programming as the C.B.C.—A. I used the word “obligation”. I did not say whether they would or not.

Mr. GOODE: This is just the point. According to your argument and in answer to both Mr. Fleming and me over a couple of weeks you have insisted upon this point of directing the Canadian people as to what they should watch on television as far as Canadian stations is concerned.

The WITNESS: I said that at no time.

Mr. GOODE: Yes, you are saying that. You are saying to the Canadian people we do not want competition.

The WITNESS: I do not think I used that phrase either.

Mr. GOODE: All right then; give the people the benefit of having common sense. If they do not like what is going on on a rival Canadian station to yours all they need do is turn a dial. If your program is better all they have to do is to turn over to the channel and that is exactly what would happen in Vancouver. I will stay with the area I know, because I know something about it; I do not know anything about Mr. Fleming's area. You talk about competition. You have competition there in the United States which is going to be more serious—your competition for the Canadian advertising dollar. I still say we are better to spend that advertising dollar in Canada than in any other country. You will have a heck of a time convincing me differently.

The WITNESS: I am still trying to answer Mr. Fleming.

By Mr. Fleming:

Q. Go ahead.—A. I understand that you are taking as a hypothesis another station operating in Toronto.

Q. That would be a good example.—A. Another station operating in Toronto quite freely. I think inevitably it would tend to reduce our potential revenue. There would be another means by which advertisers could get on the air and therefore it would tend to keep revenues down.

Q. That is your commercial revenue?—A. Yes. It would make it harder for us—I am not saying impossible—to draw advertising support for Canadian production because there would be other means of reaching the Canadian people with imported material.

Q. Or with Canadian material.—A. Yes.

Q. Let us not keep referring to the operation of other stations, as I think

you are attempting to do in your hypothesis, as though they would all be imported programs.—A. I said it is my opinion that another station would use very largely imported material and would have to because of economic pressure. I cannot be sure it would nor that a station might not be able to make a profit doing it, but I do say the whole pressure of business and commerce would be in the direction of that station using more imported material and less production of Canadian programs.

Q. What you are proposing is to exclude competition from Canadian stations because in the area referred to and other metropolitan areas in which you have now your stations, you would face competition from American sources. We are not dealing with something completely hypothetical. We are dealing with a situation where you are now facing competition from American stations and what you are proposing to exclude is competition from Canadian stations. You have the American competition and are going to have it in the future.—A. I think the chief competition of such a station would be with imported material, American material not Canadian material. To the extent it is Canadian material they produce there would be more fair competition for the listeners.

Mr. GOODE: What imported material are you talking about? You told me you imported these 50 per cent of your own programs. Even if a private station had to import 100 per cent I still believe that if you have a better program the people are going to tune off the private station and tune in your station. I do not think you should be afraid of that competition.

The WITNESS: We are not afraid of competition. What I am pointing out is the pressures put on the financing of the national system in trying to develop Canadian production and distribution of programs across this country; to the Saguenay, Calgary, Brandon, Newfoundland, as well as Toronto and these other areas.

Mr. FLEMING: I do not know whether Mr. Dunton is finished. There is one other question I wanted to put.

The WITNESS: I think there is a little misconception about this question of the "plum areas" in which the C.B.C. works and the question of monopoly policy as opposed to single service. Mr. Chairman, I think it is right that there are about 8 private stations serving more people or about the same number of people as 2 of the C.B.C. stations. There are, I think, at least 4 private stations serving more people than 3 C.B.C. stations, and most of those larger private stations are where, for as long as can be seen, they will be in monopoly positions. If one is going to talk about monopoly, as far as one can foresee, in very important parts of the country it will exist where large populations are.

Q. Do you not think that is a good thing? Do you not agree with me?—A. In the long run I would agree if you can get diversity of service in Canada and alternative listening or viewing for people on a fair basis where there is some obligation to give Canadian programming it is a good thing to have that in television, as we have in broadcasting at present.

Mr. BRYSON: Mr. Goode spoke of his particular area. Now I do not think we can have it both ways. You live in a city, Mr. Goode, which could support possibly a television station, certainly a sound broadcasting station. But there are a great many places in this sparsely populated country that could not possibly support a second station. I have in mind my area in the city of Prince Albert. If you allow a private station, in my judgment, to set up in competition to the C.B.C. in a city which cannot support it, it will not only take revenue from the C.B.C. but the man operating the private station because of this competition from having a second station is going to lose a certain amount of revenue and I doubt if he would be able to carry on. I think there is something we should not lose sight of in speaking of the 50 per cent imported

programs from the United States, that the C.B.C. has a very envious record as compared to privately owned stations in this connection at the present time in regard to their sponsoring of Canadian composers and Canadian talent. I do not think the private stations are interested in it. How could they be when they could import these so-called cheap canned programs from the United States. I do not think you can have it both ways.

Mr. FLEMING: That sounds more like an observation than a question. But if it is Mr. Bryson's opinion that the radio talent in this country has only been developed by the C.B.C. and not by private stations then I think it is high time he was educated on the facts of radio life.

The CHAIRMAN: That is an observation also.

Mr. BRYSON: I have a statement here by a commission set up by the copyright people who say that the C.B.C. is the only organization of radio people in Canada who are giving assistance to Canadian composers and they are being commended on that account. I think that is of some importance.

Mr. GOODE: While Mr. Bryson is looking up that piece of paper I think an answer should be given to him now.

The CHAIRMAN: Do you not think you can wait until he finds his document?

I believe Mr. Boisvert has a question.

Mr. BOISVERT: Sometimes we have to think in terms of national unity. Do you not think, Mr. Dunton, that the C.B.C. will serve best to arrive at Canadian unity in a country where culture and language is two fold as in this country?

The WITNESS: Yes.

Mr. BRYSON: This is a statement to the Royal Commission on Copyright, by the Canadian League of Composers:

The Canadian Broadcasting Corporation gives generous assistance to Canadian composers through public performance of Canadian works over its stations, while less assistance is given by private radio stations, the Canadian League of Composers said in a brief last week to the Royal Commission on Copyright.

I think that is of some consequence.

Mr. FLEMING: It was not a statement of the Royal Commission at all. It was a newspaper report of a statement to the Royal Commission. I have had occasion to quote in the House contrary statements by similar organizations on this subject until the end of time. The original statement made by Mr. Bryson was so extreme on the face of it that it defeated itself, that the C.B.C. did all the development of private talent and that the private stations did not do any. We all know that the C.B.C. has done a great deal in developing Canadian talent and they will get every support from me in that respect, but similarly private stations have done a great deal in developing Canadian talent, and they deserve Mr. Bryson's support for so doing.

The CHAIRMAN: I did not understand that Mr. Bryson was saying that privately owned stations did not do anything to develop local or Canadian talent.

Mr. FLEMING: You will see his statement in the record was just as extreme and unjust as that.

Mr. STUDER: Mr. Chairman, while we are speaking of a single service coverage, or its advantages, or whether we should have dual service or more, there is a large part of Canada that is very anxious to know if and when

they ever will be able to obtain single service coverage. You may have double service in some area but you still are always going to be in the position as far as I can see in certain parts of Canada of having to be satisfied with single service coverage. The C.B.C. is being questioned as to whether competition is an advantage or not. The C.B.C. would not only be in competition in connection with the financial end of it, but it is definitely in competition in service. Now if other organizations are willing to enter the service competition that the C.B.C. is going to be called upon to grant to the people of this country, then I think we can make some comparison. But there are about 4 million people at the present time in Canada who do not have single service coverage. The demands of those people are going to be for television service. There is no question about it; a private organization is certainly not going to extend itself to the non-revenue areas of Canada in regard to delivering that service. I think that is understood. If these competitive organizations are willing to extend these services to these unproductive areas, then the comparison would be more favourable. We have about 27 TV stations in Canada that are servicing between 350,000 and 400,000 people each. Now when are these other 4 million people going to be serviced? I would submit that the bulk of these people are rural people that are not being serviced and are the ones which should be serviced. After all they are producing a large percentage of the revenue of this country; they are the people who have the facilities to increase production, and I notice that in Iowa where I was raised the universities and the agricultural station do a great service to the farmers there. It is practically a university education that the farmers get during the winter months. They are provided with all the information necessary for increasing production; it is a school in itself. In the cities we already have entertainment. If television is just to be for the entertainment or for the cultural advantage, perhaps, of the people then it is imperative that it should be brought to the country as well as to the cities, or even more important. Farmers are leaving the land to avail themselves of the same entertainment as is available at the present time in the cities, and since those who are on the farms have to try to provide the production and the wealth of this country I think more concern should be felt for their interests. I think the time is coming when all the farmers are going to move into the towns unless something is done to provide them with some amenities so that they are placed on terms of equality with other people. They are not second class citizens who should be compelled to go without relaxation. Are the private organizations going to provide this sort of service? I do not think so. I think the C.B.C. is going to be called upon to provide these opportunities for inland areas. If someone will tell me that the private organizations are going to step in and provide these services I would say "let us have competition anywhere and everywhere, which the C.B.C. will meet." But under present conditions in addition to meeting that competition they would have to provide these extra services, and that will take money, either from the earnings of the C.B.C. or by way of a subsidy from the people of Canada.

I say that the people in the rural areas are going to have such a service and we had better establish the means of providing it as soon as we can. We have an area in southwest Saskatchewan which provides a lot of wealth for this country. My own constituency runs to over ten and a half million acres and they are producing wealth and still going without television; they are even short on radio, and I do not know why my people should not have the same opportunity of using the educational opportunities which television provides as any other people. I am going to get television down in that country if it is the last thing I do. I do not think we can compel any private station to go there, but we can work on the C.B.C. because it has to consider the element

of service in its policy and I think that should be kept in mind. No one can make me weep by complaining that there is no dual service or additional coverage in the cities while there are such large areas which have no facilities whatever. I think my people should have a say in this and I am trying to say in my small way a little on their behalf.

Mr. FLEMING: I think if I may make a suggestion to Mr. Studer, that he is completely overlooking the fact that there is not one farmer who is going to get a television service any sooner by reason of this policy of maintaining a local monopoly of the C.B.C. in those areas where it has that monopoly or by giving a local monopoly to private stations. This business of local monopoly has no relation to the things Mr. Studer was talking about at all, Mr. Chairman. There is not one farmer in this country today who has a better chance of getting television simply because under the present policy Canadian competition is being excluded from areas in which the C.B.C. is now operating.

The second thing which I would like to say is this: Mr. Studer talked about subsidy. I wonder why he thinks that parliament goes on providing millions of dollars each year to the C.B.C. for this television and radio service if it is not on the basis that we want their programs and that we want to see their efforts directed at reaching Canadian people who would not otherwise be provided with programs. This statement from Mr. Studer, Mr. Chairman, has nothing to do with the so called policy of single service coverage.

Mr. RICHARD (*Ottawa East*): We seem to be all making statements instead of questioning the witnesses, Mr. Chairman. But if you reduce revenue and increase expenditure the C.B.C. will have to have more subsidies to do its special job. I have no doubt about saying that the revenue would be decreased and expenses increased as the result of competition between existing national stations and private stations. If the C.B.C. is to be kept in being we must remember that it has to provide, during the best hours, some kinds of program which are costly but which attract very little revenue, whereas the private stations can produce much cheaper programs during their best hours and derive additional advertising revenue from them. That is unfair competition.

Mr. FLEMING: Unfair competition, with the C.B.C. controlling the whole thing through its wide power of regulation? That is stretching the thing rather far.

Mr. STUDER: I would agree with Mr. Fleming if he would agree with me that the private interests should come out to western Canada and put in stations where they will lose money.

Mr. GOODE: I cannot blame them for not going out into your area because I have been listening for days and days to the argument that the farmers there have not got any money for television.

Mr. STUDER: If you would like to discard part of that and hear some reliable information . . .

The CHAIRMAN: I do not think we had better begin to discuss speeches which were made in the House, I will call on Mr. Dunton, who has something to say.

The WITNESS: If I may just reply to the questions that have been asked . . .

An Hon. MEMBER: What questions?

The WITNESS: I would just like to make it clear that in our view if the licensing of additional private stations in areas where we at present have a station were decided on it would be bound to reduce the flow of support for the national system with all it is trying to do, and it is bound to reduce the resources available not only to produce programs but to distribute programs to people in all parts of Canada either through private stations or through additional publicly owned facilities.

By Mr. Fleming:

Q. Will the licensing of more Canadian stations not have the effect of providing more opportunities for Canadian talent?—A. I would not say that, Mr. Fleming.

Q. Doesn't that follow?—A. I am giving my view of what I think will happen if certain decisions are made. Several times the C.B.C. has been credited with holding views which it does not necessarily hold, or taking up positions which it does not take up. We are trying now to explain what effects will follow if certain things are done.

Q. Cannot you leave it to parliament to decide what will be needed to maintain the kind of program that you are seeking to provide under the national system?—A. I think all those decisions are either for the government or for parliament to decide. They are not ours.

By Mr. Knight:

Q. Mr. Dunton, you are experienced in these matters, what in your opinion is the reason for this tremendous drive for the possession of broadcasting stations which has been evident during the past four or five years, particularly perhaps in the field of television where the big money is? How would you define the desire on the part of these private stations to get hold of some of the facilities which some of my friends here complain are monopolized by the C.B.C.?—A. I do not think I can define anybody's desire, but I think I can repeat what I said before: in my view stations operating without any special obligations about programs in these areas would make big profits.

Q. Would you think it would be, perhaps, a desire to improve the quality of Canadian broadcasting?—A. I cannot go beyond what I have said. I think different people might have different intentions.

Q. Would you say there was a desire to promote democracy, for example?—A. I don't know.

Q. Or would it be to increase the coverage, as Mr. Studer has suggested, in remote areas which up to the present time are not served?—A. I don't know. All I can point to is the economic pressure which I know will be working on such operations.

Q. Should we not face it that the desire on the part of these people is to increase their profits—to get into this "game" in which they consider there is a good deal of money to be made. Naturally I don't blame them—it is their privilege as a company to make such dividends and profits as they can—but I do not want them to make them at the expense of the Canadian people, either in the matter of the quality of the programs, or in their being dependent on programs from outside Canada.

MR. FLEMING: So Mr. Knight would rather have the American competition that is coming in now than have competition from Canadian stations which would provide additional opportunities for Canadian talent?

MR. KNIGHT: No. I have at least been trying to put my statements in the form of questions—if I may use that Irishism.

By Mr. Knight:

Q. Is it not a fact that the American programs that you find yourselves obliged to use now, Mr. Dunton, are in the main the best American programs, and that you are making a definite attempt to get the best ones?—A. Of those available to us we naturally try to select the best in the interests of program balance.

Q. In other words they are much better than the average programs which the American viewers in their own country would see?—A. Some Americans have told us that.

Q. Is it your opinion that under a system such as was visualized by Mr. Fleming these stations whose cause he is advocating would continue to get only the best United States programs and refuse all the others?—A. Again I can make no reflection in any way on existing stations or potential applicants. I am sure they are very good Canadians. But I do know the pressure will be on them to import material.

Mr. BRYSON: I think there is one aspect of this whole matter to which we must give a great deal more thought. That is this: we have to build Canadian unity in this country. We have French people who have got to have programs as well as English people. Can you understand a sponsor in western Canada, where we have a great many French-speaking people, but not enough, I would say, to warrant the provision of a program just for them alone—making a particular effort to cater for their needs? I think the C.B.C. is the only organization which can build Canadian unity by getting French programs into western Canada where they are badly needed. I do not see why these people should be denied the opportunity of receiving programs in French. A private organization, in this case, would not be prepared to risk a financial loss in bringing that kind of program to the television screen. I think we should remember that.

Mr. FLEMING: How can Mr. Bryson contend that there is an issue of national unity or that one person who wants to hear a C.B.C. French program in any part of Canada is going to be denied the opportunity because of the policy, and that a local monopoly should be followed in Quebec or any other part of Canada which denies to people in the province of Quebec the opportunity to hear more than one station or one program. The two things do not relate to each other. This question of national unity and the national program service of the C.B.C. has nothing to do with this policy of denying an alternative French program over private stations in Quebec or anywhere else to those who want it.

Mr. BOISVERT: Don't forget about culture!

The CHAIRMAN: I understood that Mr. Bryson was speaking about the French-speaking group in the west.

Mr. FLEMING: I am speaking of them too, and I say that not one of them will be deprived of what they have got, nor will one more get anything more or less by reason of denying or permitting the people in Quebec, for instance, to have an alternative program or an alternative station. In other words, this is just a red herring across the trail. I do not say that it is intentionally drawn, but it is in fact drawing in something which has no bearing on the question.

The CHAIRMAN: Order! Order!

Mr. BOISVERT: Mr. Chairman!

The CHAIRMAN: I understood you had left the question of finance, and I gave you all the freedom you wanted. Are you through with finance and through with the C.B.C.?

Mr. BOISVERT: I never saw so many cold figures come from a book of accounting and give way to so many flowers of rhetoric, si I move we adjourn.

The CHAIRMAN: I hope you will not forget the train tomorrow morning at 7.50, on the Canadian National Railways.

APPENDIX “A”

Statements of Expenditures by Object for Sound Broadcasting
and Television for the periods 1st April to 31st March
for the years 1952-1953 and 1953-54.

CANADIAN BROADCASTING CORPORATION

EXPENDITURES BY OBJECT

1ST APRIL 1952 TO 31ST MARCH 1953

	<i>Sound Broadcasting</i>	<i>Television</i>
111 Artists' Fees	2,524,884.15	464,832.91
112 Other Production Fees.....	3,816.24	22,148.88
113 Music	183,437.45	18,350.54
115 Manuscripts & Plays.....	260,502.55	50,985.15
117 Performing Rights.....	183,168.22	12,575.00
121 News—Press Service.....	154,081.81	766.66
122 Rental of Halls & Studios.....	21,320.71	2,476.84
131 Recording Discs (Blank).....	42,983.92	268.51
132 Records (Discs).....	55,519.26	954.15
133 Recording Tapes (Blank).....	22,538.71	1,002.66
134 Records (Tape)	3,333.56	
137 Rental—Musical Instruments.....	3,592.34	324.00
138 Maintenance—Musical Instruments.....	4,762.44	134.50
141 Film Stock.....		16,844.18
142 Films (Finished)		160,933.95
143 Film Processing.....		22,285.78
144 Sets		77,487.20
145 Props & Draperies.....		35,782.49
146 Wardrobes		30,800.24
151 Local Loops.....	20,835.88	8,027.87
152 Studio to Transmitter Circuits.....	85,741.52	3,684.14
153 Network Transmission Circuits.....		
154 Station Charges.....	10,824.17	77.00
211 Maintenance—Technical Equipment.....	96,352.82	109,024.39
212 Maintenance—Buildings & Grounds.....	42,339.07	5,799.66
219 Maintenance—General	29,424.06	11,753.04
221 Fuel	15,429.53	4,377.00
222 Light and Power.....	142,360.84	11,062.83
223 Rental—Bldgs. or Floor Space.....	358,767.15	21,391.69
224 Taxes, Water Rates and Services.....	1,990.48	178.22
225 Cleaning Contracts.....	3,904.57	
229 Sundry	9,208.56	2,709.80
291 Automobile Expense.....	9,315.02	3,880.72
292 Blueprints	4,295.89	2,611.93
293 Rental of Equipment.....	14,221.70	3,219.62
294 Freight, Express and Cartage.....	39,571.65	14,043.00
295 Insurance	17,243.60	2,675.92
311 Advertisements	7,895.18	2,570.00
312 Displays and Exhibits.....	3,005.27	790.73
313 Photographic and Art Work.....	35,083.52	6,525.81
314 Printing of Schedules, Publications, etc..	95,407.24	292.49
315 Mailing and Handling Charges.....	4,529.82	
411 Salaries	4,615,044.30	906,499.52
412 Casual Wages.....	202,270.10	301,189.56
413 Honoraria	7,721.22	24.00
414 Professional Fees & Legal Expense.....	14,960.74	2,317.19
421 Travelling Expense.....	191,056.84	20,018.42
422 Duty Entertainment	22,039.45	3,303.98

	<i>Sound Broadcasting</i>	<i>Television</i>
423 Removal Expense.....	14,996.06	11,559.63
424 Membership Fees.....	2,541.39	
425 Superannuation	280,943.34	33,779.90
426 Unemployment & Group Life Ins.....	34,133.23	7,814.52
427 Staff Courses.....	58.66	
428 Local Transportation.....	21,494.27	7,020.60
429 Meal Allowances		
431 Donations and Prizes.....	13,017.21	4,937.50
432 Papers, Periodicals & Magazines.....	12,181.15	1,145.45
433 Postage and Excise.....	42,612.05	
434 Printing & Stationery.....	127,902.98	10,117.85
439 Incidentals	10,817.16	9,962.75
441 Telegraphs & Cables.....	44,313.86	2,772.59
442 Telephones	115,889.51	13,740.40
443 Teletype Service.....	29,146.10	
512 Bank Charges.....	378.87	
514 Bad Debt Expense.....	67.76	
515 Listeners: Surveys.....	27,056.80	3,378.37
518 Abandoned Projects.....	1,783.45	
Amortization of Improvements to Leased Properties	13,098.67	803.30
Wire Lines.....	1,431,448.86	11,115.05
Interest on Loans.....	94,062.50	195,438.35
Overhead and Supervision		
Pool Services—I.S.....	164,946.42 Cr	
Pool Services—T.V.....	99,964.24 Cr	99,964.24
Overhead on Projects.....	94,350.47 Cr	
	<hr/>	<hr/>
	11,523,464.30	2,780,552.67
Supervision—T.V. Operations.....	134,330.32 Cr	134,330.32
	<hr/>	<hr/>
	\$ 11,389,133.98	\$ 2,914,882.99
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CANADIAN BROADCASTING CORPORATION

EXPENDITURES BY OBJECT

1ST APRIL 1953 TO 31ST MARCH 1954

	<i>Sound Broadcasting</i>	<i>Television</i>
111 Artists' Fees.....	2,774,020.47	1,002,574.53
112 Other Production Fees.....	5,393.11	102,940.75
113 Music	206,348.25	32,043.42
115 Manuscripts and Plays.....	319,068.78	154,597.12
117 Performing Rights.....	188,960.15	79,518.58
121 News—Press Service.....	154,039.60	73,557.33
122 Rental of Halls & Studios.....	12,018.23	7,557.00
131 Recording Discs (Blank).....	30,620.31	661.73
132 Records (Discs)	43,558.54	2,423.01
133 Recording Tapes (Blank).....	53,703.86	411.31
134 Records (Tape)	6,524.55	
137 Rental—Musical Instruments	3,676.70	1,669.50
138 Maintenance—Musical Instruments.....	5,024.00	81.16
141 Film Stock.....	118.20	57,697.91
142 Films Finished		454,415.61
143 Film Processing.....		82,619.42
144 Sets		123,176.23
145 Props and Draperies.....		42,747.27
146 Wardrobes		37,112.68
147 Make-Up		9,013.91
151 Local Loops.....	23,738.07	14,611.02
152 Studio to Transmitter Circuits.....	86,338.38	4,631.97
153 Network Transmission Circuits.....		
154 Station Charges.....	15,787.88	
211 Maintenance Technical Equipment.....	136,577.09	304,466.49
212 Maintenance Buildings and Grounds....	51,664.38	17,938.51
219 Maintenance—General	26,366.76	6,856.69
221 Fuel	15,712.51	9,162.39
222 Light and Power.....	150,023.23	26,197.92
223 Rental—Buildings or Floor Space.....	390,164.32	83,548.62
224 Taxes, Water Rates and Services.....	17,750.62	16,861.76
225 Cleaning Contracts	11,254.90	3,037.51
229 Sundry	6,856.52	1,835.25
291 Automobile Expense.....	7,272.07	4,324.81
292 Blueprints	7,959.61	3,341.35
293 Rental of Equipment.....	23,401.30	9,165.73
294 Freight, Express and Cartage.....	52,563.80	63,271.41
295 Insurance	22,322.24	2,652.21
311 Advertisements	16,756.30	13,827.62
312 Displays and Exhibits.....	9,616.92	6,650.03
313 Photographic and Art Work.....	37,984.20	7,824.54
314 Printing of Schedules, Publications, etc..	119,924.88	655.55
315 Mailing and Handling Charge (Schedules)	7,075.20	
411 Salaries	5,616,520.93	1,937,240.91
412 Casual Wages	223,553.04	650,758.24
413 Honoraria	8,302.01	66.00
414 Professional Fees and Legal Expense....	15,348.67	8,237.75
421 Travelling Expense	243,837.14	69,846.31

SPECIAL COMMITTEE

	Sound Broadcasting	Television
422 Duty Entertainment	24,640.33	1,711.78
423 Removal Expense.....	55,476.52	10,208.82
424 Membership Fees.....	2,618.75	115.85
425 Superannuation	326,184.15	67,800.03
426 Unemployment and Group Life.....	39,342.89	15,287.53
427 Staff Courses.....	86.00	
428 Local Transportation.....	26,440.74	25,188.66
429 Meal Allowance.....	10,729.27	28,122.67
431 Donations and Prizes.....	17,380.30	11,117.48
432 Papers, Periodicals and Magazines.....	14,487.88	1,666.15
433 Postage and Excise.....	46,690.80	1,529.33
434 Printing and Stationery.....	159,560.35	21,122.46
439 Incidentals	5,853.47	3,386.03
441 Telegraphs and Cables.....	55,118.29	7,940.93
442 Telephones	139,576.70	34,781.39
443 Teletype Service.....	35,530.59	444.91
512 Bank Charges.....	1,284.07	27.16
514 Bad Debt Expense.....	136.15	163.50
515 Listeners' Surveys.....	30,349.78	8,013.53
Amortization of Improvements to Leased Properties	44,783.39	1,295.22
Wire Lines.....	1,599,291.01	330,155.42
Interest on Loans.....	94,062.50	275,488.01
Overhead & Supervision:		
Pool Services—I.S.....	180,174.01 Cr	
Overhead on Projects.....	178,355.00 Cr	
	13,518,842.64	6,377,395.92
Supervision & Common Services:		
Operations—T.V. 717,417.02		
Pool Services—T.V..... 269,567.78		
	986,984.80 Cr	986,984.80
	\$ 12,531,857.84	\$ 7,364,380.72

